



INDEPENDENT ACCOUNTANT'S REVIEW REPORT

The Board of Directors
Lausanne Committee for World Evangelization d/b/a Lausanne Movement
Orlando, Florida

We have reviewed the accompanying financial statements of Lausanne Committee for World Evangelization d/b/a Lausanne Movement ("the Ministry"), which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management of the Ministry. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

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 accounting principles generally accepted in the United States of America.

Batts Morrison Wales & Lee, P.A.

BATTS MORRISON WALES & LEE, P.A.

Orlando, Florida
April 13, 2018

LAUSANNE COMMITTEE FOR WORLD EVANGELIZATION
D/B/A LAUSANNE MOVEMENT
STATEMENTS OF FINANCIAL POSITION

ASSETS

	December 31,	
	2017	2016
ASSETS		
Cash and cash equivalents	\$ 642,480	\$ 722,226
Other assets	22,348	23,897
Total assets	\$ 664,828	\$ 746,123

LIABILITIES AND NET ASSETS

LIABILITIES		
Accounts payable	\$ 13,243	\$ 28,864
Total liabilities	13,243	28,864
NET ASSETS		
Unrestricted	97,127	260,228
Temporarily restricted	554,458	457,031
Total net assets	651,585	717,259
Total liabilities and net assets	\$ 664,828	\$ 746,123

LAUSANNE COMMITTEE FOR WORLD EVANGELIZATION
D/B/A LAUSANNE MOVEMENT
STATEMENTS OF ACTIVITIES

	For The Year Ended December 31, 2017			For The Year Ended December 31, 2016
	Unrestricted	Temporarily Restricted	Total	
PUBLIC SUPPORT AND REVENUE AND NET ASSETS RELEASED FROM RESTRICTIONS				
Unrestricted contributions	\$ 856,931	\$ —	\$ 856,931	\$ 59,230
Temporarily restricted contributions	—	279,656	279,656	1,026,778
Conferences and events	94,319	—	94,319	496,636
Other revenue	2,028	—	2,028	13,204
Net assets released from restrictions	<u>182,229</u>	<u>(182,229)</u>	<u>—</u>	<u>—</u>
Total public support and revenue and net assets released from restrictions	<u>1,135,507</u>	<u>97,427</u>	<u>1,232,934</u>	<u>1,595,848</u>
EXPENSES				
Program activities	<u>1,038,723</u>	<u>—</u>	<u>1,038,723</u>	<u>1,920,888</u>
Supporting activities				
Management and general	106,061	—	106,061	125,484
Fundraising	<u>153,824</u>	<u>—</u>	<u>153,824</u>	<u>107,424</u>
Total supporting activities	<u>259,885</u>	<u>—</u>	<u>259,885</u>	<u>232,908</u>
Total expenses	<u>1,298,608</u>	<u>—</u>	<u>1,298,608</u>	<u>2,153,796</u>
Change in unrestricted net assets	(163,101)	—	(163,101)	(546,567)
Change in temporarily restricted net assets	<u>—</u>	<u>97,427</u>	<u>97,427</u>	<u>(11,381)</u>
CHANGE IN NET ASSETS	(163,101)	97,427	(65,674)	(557,948)
NET ASSETS - Beginning of year	<u>260,228</u>	<u>457,031</u>	<u>717,259</u>	<u>1,275,207</u>
NET ASSETS - End of year	<u>\$ 97,127</u>	<u>\$ 554,458</u>	<u>\$ 651,585</u>	<u>\$ 717,259</u>

See Accompanying Notes and Independent Accountant's Review Report

LAUSANNE COMMITTEE FOR WORLD EVANGELIZATION
D/B/A LAUSANNE MOVEMENT
STATEMENT OF FUNCTIONAL EXPENSES
For The Year Ended December 31, 2017

	Program Activities	Supporting Activities			Total Expenses
		Management and General	Fundraising	Total	
Contracted services	\$ 670,942	\$ 90,695	\$ 153,824	\$ 244,519	\$ 915,461
Travel and meals	284,738	—	—	—	284,738
Other expenses	26,816	15,366	—	15,366	42,182
Staff development	18,160	—	—	—	18,160
Communications	16,616	—	—	—	16,616
Supplies	14,261	—	—	—	14,261
Scholarships and grants	5,288	—	—	—	5,288
Technology	1,902	—	—	—	1,902
Total expenses	\$ 1,038,723	\$ 106,061	\$ 153,824	\$ 259,885	\$ 1,298,608

LAUSANNE COMMITTEE FOR WORLD EVANGELIZATION
D/B/A LAUSANNE MOVEMENT
STATEMENT OF FUNCTIONAL EXPENSES
For The Year Ended December 31, 2016

	Program Activities	Supporting Activities			Total Expenses
		Management and General	Fundraising	Total	
Contracted services	\$ 804,806	\$ 123,376	\$ 107,418	\$ 230,794	\$ 1,035,600
Travel and meals	674,497	—	—	—	674,497
Scholarships and grants	244,271	—	—	—	244,271
Other expenses	54,205	2,061	—	2,061	56,266
Technology	54,959	—	—	—	54,959
Supplies	32,372	47	—	47	32,419
Communications	29,280	—	6	6	29,286
Staff development	26,498	—	—	—	26,498
Total expenses	\$ 1,920,888	\$ 125,484	\$ 107,424	\$ 232,908	\$ 2,153,796

LAUSANNE COMMITTEE FOR WORLD EVANGELIZATION
D/B/A LAUSANNE MOVEMENT
STATEMENTS OF CASH FLOWS

	For The Years Ended	
	December 31,	
	<u>2017</u>	<u>2016</u>
OPERATING CASH FLOWS		
Cash received from contributors	\$ 1,136,587	\$ 1,086,008
Cash received from conferences and events	94,319	496,636
Other cash received	2,028	13,204
Cash paid for operating activities and costs	<u>(1,312,680)</u>	<u>(2,124,096)</u>
Net operating cash flows	<u>(79,746)</u>	<u>(528,248)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(79,746)	(528,248)
CASH AND CASH EQUIVALENTS - Beginning of year	<u>722,226</u>	<u>1,250,474</u>
CASH AND CASH EQUIVALENTS - End of year	<u>\$ 642,480</u>	<u>\$ 722,226</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET		
OPERATING CASH FLOWS		
Change in net assets	\$ (65,674)	\$ (557,948)
Adjustments to reconcile change in net assets to net operating cash flows		
Change in other assets	1,549	4,883
Change in accounts payable	<u>(15,621)</u>	<u>24,817</u>
Net operating cash flows	<u>\$ (79,746)</u>	<u>\$ (528,248)</u>

LAUSANNE COMMITTEE FOR WORLD EVANGELIZATION
D/B/A LAUSANNE MOVEMENT
NOTES TO FINANCIAL STATEMENTS

NOTE A – NATURE OF ACTIVITIES

Lausanne Committee for World Evangelization d/b/a Lausanne Movement (“the Ministry”) is a not-for-profit California corporation. The Ministry’s global vision is:

- The gospel for every person,
- An evangelical church for every people,
- Christ-like leaders for every church, and
- Kingdom impact in every sphere of society.

The Ministry 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 Ministry seeks to be a faithful steward of God’s calling to connect influencers and ideas for global mission. The Ministry desires to serve the global church with a spirit of humility, friendship, prayer, study, partnership, and hope, which Billy Graham called ‘the spirit of Lausanne.’

The Ministry connects influencers in two types of networks: issue networks and regional networks.

Issue networks – Over thirty issue networks led by Ministry leaders are involved in the pressing missional opportunities and challenges of issues as diverse as Freedom and Justice, Islam, Cities, Media Engagement, and Business as Mission.

Regional networks – From East Asia to Latin America, and Francophone Africa to the South Pacific, the Ministry gives leadership to initiatives across continental or sub-continental regions.

The Ministry maintains a robust catalog of information on its website (www.lausanne.org), including over forty years of missional content, access to printed publications, opportunities to connect with Ministry networks, identification of upcoming regional and issues-based gatherings, and opportunities to financially support the Ministry’s activities.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue recognition

Contributions received are recorded as unrestricted or temporarily restricted support, depending on the existence and/or nature of donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying statements of activities as “net assets released from restrictions.”

Cash and cash equivalents

The Ministry considers investment instruments purchased or donated with original maturities of three months or less to be cash equivalents.

LAUSANNE COMMITTEE FOR WORLD EVANGELIZATION
D/B/A LAUSANNE MOVEMENT
NOTES TO FINANCIAL STATEMENTS

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income taxes

The Ministry is exempt from federal income tax as an organization described in Section 501(c)(3) of the Internal Revenue Code and from state income tax pursuant to California law. The Ministry is further classified as a public charity and not a private foundation for federal tax purposes. The Ministry has not incurred unrelated business income taxes. As a result, no income tax provision or liability has been provided for in the accompanying financial statements. The Ministry has not taken any material uncertain tax positions for which the associated tax benefits may not be recognized under accounting principles generally accepted in the United States of America.

Use of estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Actual results could differ from the estimates.

Subsequent events

The Ministry has evaluated for possible financial reporting and disclosure subsequent events through April 13, 2018, the date as of which the financial statements were available to be issued.

NOTE C – CONCENTRATIONS

The Ministry maintains its cash and cash equivalents in deposit accounts which may not be federally insured, may exceed federally insured limits, or may be insured by an entity other than an agency of the federal government. The Ministry has not experienced any losses in such accounts, and believes it is not exposed to any significant credit risk related to cash and cash equivalents.

During 2017 and 2016, approximately 48% per year of the Ministry's contribution revenue came from a small group of donors. The Ministry hopes and expects to continue its relationship with these significant donors and may be adversely impacted financially if support from these donors were to diminish significantly or cease.

NOTE D – SHARED AND CONTRACTED SERVICES

The Ministry is a party to a services agreement with Campus Crusade for Christ, Inc. ("Cru") whereby Cru performs certain donation processing services and financial administration services to the Ministry free of charge. Due to immateriality of the amounts involved, the Ministry has not recognized contributed services revenue and expense related to this agreement in the accompanying financial statements.

The Ministry has no employees. Individuals performing services on behalf of the Ministry are seconded to the Ministry under separate agreements with each individual's employer. The Ministry pays the employing organization a fee for such services, and the expenses associated with the services are classified in the accompanying statements of activities based on the nature of the services provided, and are reported as "contracted services" in the accompanying statements of functional expenses. Such agreements can generally be canceled by either party with proper notice.

LAUSANNE COMMITTEE FOR WORLD EVANGELIZATION
D/B/A LAUSANNE MOVEMENT
NOTES TO FINANCIAL STATEMENTS

NOTE E - TEMPORARILY RESTRICTED NET ASSETS

Net assets were temporarily restricted for the following purposes during 2017:

	<u>Balance</u> <u>January 1</u>	<u>Contributions</u>	<u>Releases</u>	<u>Balance</u> <u>December 31</u>
Young leaders	\$ 331,826	\$ 10,029	\$ (10,391)	\$ 331,464
Ministry consultations	117,503	266,827	(171,838)	212,492
Missionary balances	<u>7,702</u>	<u>2,800</u>	<u>—</u>	<u>10,502</u>
Total	<u>\$ 457,031</u>	<u>\$ 279,656</u>	<u>\$ (182,229)</u>	<u>\$ 554,458</u>

Net assets were temporarily restricted for the following purposes during 2016:

	<u>Balance</u> <u>January 1</u>	<u>Contributions</u>	<u>Releases</u>	<u>Balance</u> <u>December 31</u>
Young leaders	\$ 364,693	\$ 920,040	\$ (952,907)	\$ 331,826
Ministry consultations	72,459	104,563	(59,519)	117,503
Missionary balances	6,674	2,175	(1,147)	7,702
Global analysis	<u>24,586</u>	<u>—</u>	<u>(24,586)</u>	<u>—</u>
Total	<u>\$ 468,412</u>	<u>\$ 1,026,778</u>	<u>\$ (1,038,159)</u>	<u>\$ 457,031</u>