



LAUSANNE COMMITTEE FOR WORLD EVANGELIZATION  
D/B/A LAUSANNE MOVEMENT

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016





## 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, 2016 and 2015, 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.*

BATTIS MORRISON WALES & LEE, P.A.

Orlando, Florida  
April 24, 2017

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

**ASSETS**

	December 31,	
	2016	2015
<b>ASSETS</b>		
Cash and cash equivalents	\$ 722,226	\$ 1,250,474
Other assets	23,897	28,780
<b>Total assets</b>	<b>\$ 746,123</b>	<b>\$ 1,279,254</b>

**LIABILITIES AND NET ASSETS**

<b>LIABILITIES</b>		
Accounts payable	\$ 28,864	\$ 4,047
<b>Total liabilities</b>	<b>28,864</b>	<b>4,047</b>
<b>NET ASSETS</b>		
Unrestricted	260,228	806,795
Temporarily restricted	457,031	468,412
<b>Total net assets</b>	<b>717,259</b>	<b>1,275,207</b>
<b>Total liabilities and net assets</b>	<b>\$ 746,123</b>	<b>\$ 1,279,254</b>

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

	For The Year Ended December 31, 2016			For The Year Ended December 31, 2015
	Unrestricted	Temporarily Restricted	Total	
<b>PUBLIC SUPPORT AND REVENUE AND NET ASSETS RELEASED FROM RESTRICTIONS</b>				
Unrestricted contributions	\$ 59,230	\$ —	\$ 59,230	\$ 1,313,116
Temporarily restricted contributions	—	1,026,778	1,026,778	417,580
Conferences and events	496,636	—	496,636	133,617
Other revenue	13,204	—	13,204	3,327
Net assets released from restrictions	<u>1,038,159</u>	<u>(1,038,159)</u>	<u>—</u>	<u>—</u>
<b>Total public support and revenue and net assets released from restrictions</b>	<b><u>1,607,229</u></b>	<b><u>(11,381)</u></b>	<b><u>1,595,848</u></b>	<b><u>1,867,640</u></b>
<b>EXPENSES</b>				
Program activities	<u>1,920,888</u>	<u>—</u>	<u>1,920,888</u>	<u>791,181</u>
Supporting activities				
Management and general	125,484	—	125,484	223,111
Fundraising	<u>107,424</u>	<u>—</u>	<u>107,424</u>	<u>112,891</u>
Total supporting activities	<u>232,908</u>	<u>—</u>	<u>232,908</u>	<u>336,002</u>
<b>Total expenses</b>	<b><u>2,153,796</u></b>	<b><u>—</u></b>	<b><u>2,153,796</u></b>	<b><u>1,127,183</u></b>
<b>Change in unrestricted net assets</b>	<b><u>(546,567)</u></b>	<b><u>—</u></b>	<b><u>(546,567)</u></b>	<b><u>494,427</u></b>
<b>Change in temporarily restricted net assets</b>	<b><u>—</u></b>	<b><u>(11,381)</u></b>	<b><u>(11,381)</u></b>	<b><u>246,030</u></b>
<b>CHANGE IN NET ASSETS</b>	<b><u>(546,567)</u></b>	<b><u>(11,381)</u></b>	<b><u>(557,948)</u></b>	<b><u>740,457</u></b>
<b>NET ASSETS - Beginning of year</b>	<b><u>806,795</u></b>	<b><u>468,412</u></b>	<b><u>1,275,207</u></b>	<b><u>534,750</u></b>
<b>NET ASSETS - End of year</b>	<b><u>\$ 260,228</u></b>	<b><u>\$ 457,031</u></b>	<b><u>\$ 717,259</u></b>	<b><u>\$ 1,275,207</u></b>

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, 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
<b>Total expenses</b>	<b>\$ 1,920,888</b>	<b>\$ 125,484</b>	<b>\$ 107,424</b>	<b>\$ 232,908</b>	<b>\$ 2,153,796</b>

**LAUSANNE COMMITTEE FOR WORLD EVANGELIZATION**  
**D/B/A LAUSANNE MOVEMENT**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
For The Year Ended December 31, 2015

	Program Activities	Supporting Activities		Total	Total Expenses
		Management and General	Fundraising		
Contracted services	\$ 507,898	\$ 220,399	\$ 111,167	\$ 331,566	\$ 839,464
Travel and meals	175,571	—	1,724	1,724	177,295
Supplies	29,811	—	—	—	29,811
Staff development	25,367	—	—	—	25,367
Scholarships and grants	18,435	—	—	—	18,435
Other expenses	13,749	2,614	—	2,614	16,363
Technology	10,544	—	—	—	10,544
Communications	9,806	98	—	98	9,904
<b>Total expenses</b>	<b>\$ 791,181</b>	<b>\$ 223,111</b>	<b>\$ 112,891</b>	<b>\$ 336,002</b>	<b>\$ 1,127,183</b>

See Accompanying Notes and Independent Accountant's Review Report

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

	For The Years Ended	
	December 31,	
	<u>2016</u>	<u>2015</u>
<b>OPERATING CASH FLOWS</b>		
Cash received from contributors	\$ 1,086,008	\$ 1,730,696
Cash received from conferences and events	496,636	133,617
Other cash received	13,204	3,327
Cash paid for operating activities and costs	<u>(2,124,096)</u>	<u>(1,151,878)</u>
<b>Net operating cash flows</b>	<b><u>(528,248)</u></b>	<b><u>715,762</u></b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(528,248)</b>	<b>715,762</b>
<b>CASH AND CASH EQUIVALENTS - Beginning of year</b>	<b><u>1,250,474</u></b>	<b><u>534,712</u></b>
<b>CASH AND CASH EQUIVALENTS - End of year</b>	<b><u>\$ 722,226</u></b>	<b><u>\$ 1,250,474</u></b>
<b>RECONCILIATION OF CHANGE IN NET ASSETS TO NET OPERATING CASH FLOWS</b>		
Change in net assets	\$ (557,948)	\$ 740,457
Adjustments to reconcile change in net assets to net operating cash flows		
Change in other assets	4,883	(26,233)
Change in accounts payable	<u>24,817</u>	<u>1,538</u>
<b>Net operating cash flows</b>	<b><u>\$ (528,248)</u></b>	<b><u>\$ 715,762</u></b>

**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](http://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 24, 2017, 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 2016 and 2015, approximately 48% and 72%, respectively, 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 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>

Net assets were temporarily restricted for the following purposes during 2015:

	<u>Balance</u> <u>January 1</u>	<u>Contributions</u>	<u>Releases</u>	<u>Balance</u> <u>December 31</u>
Young leaders	\$ 139,998	\$ 267,922	\$ (43,227)	\$ 364,693
Ministry consultations	12,071	138,043	(77,655)	72,459
Global analysis	24,586	—	—	24,586
Missionary balances	<u>45,727</u>	<u>11,615</u>	<u>(50,668)</u>	<u>6,674</u>
Total	<u>\$ 222,382</u>	<u>\$ 417,580</u>	<u>\$ (171,550)</u>	<u>\$ 468,412</u>