UNIVERSAL FELLOWSHIP OF METROPOLITAN COMMUNITY CHURCHES
DEFINED BENEFIT PLAN AND TRUST

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
DECEMBER 31, 2007
INDEPENDENT AUDITORS' REPORT

To the Board of Pensions (USA)
Universal Fellowship of Metropolitan Community Churches Defined Benefit Plan and Trust

We have audited the accompanying statement of net assets available for benefits and statement of changes in net assets available for benefits of Universal Fellowship of Metropolitan Community Churches Defined Benefit Plan and Trust as of December 31, 2007 and the related statements of accumulated plan benefits and of changes in accumulated plan benefits for the year then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit 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 audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial status of Universal Fellowship of Metropolitan Community Churches Defined Benefit Plan and Trust as of December 31, 2007, and the changes in its financial status for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Pomona, California
October 7, 2008
UNIVERSAL FELLOWSHIP OF METROPOLITAN COMMUNITY CHURCHES
DEFINED BENEFIT PLAN AND TRUST

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2007

ASSETS

Investments, at fair value (Notes 1 and 4)
   Corporate bonds $ 82,827
   Mutual funds 1,902,979
   Mixed bonds/equity funds 540,131
                      2,525,937

Fixed assets (Note 2)
   Office equipment $ 2,127
   Accumulated depreciation (2,127)
                      -

Receivables
   Employer contribution 37,236
   Participant contribution 17,667 54,903

Cash 193,126

Total assets 2,773,966

LIABILITIES

Accounts payable and accrued expenses 4,640

Net Assets Available for Benefits $ 2,769,326

The accompanying notes are an integral part of these financial statements.
Additions to Net Assets

Investment income

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividends</td>
<td>$80,038</td>
</tr>
<tr>
<td>Interest</td>
<td>7,007</td>
</tr>
<tr>
<td>Capital gain – realized</td>
<td>91,339</td>
</tr>
<tr>
<td>Net appreciation in fair value of investments</td>
<td>56,447</td>
</tr>
<tr>
<td>Other income</td>
<td>12,297</td>
</tr>
<tr>
<td></td>
<td>247,128</td>
</tr>
<tr>
<td>Less investment expenses</td>
<td>(7,922)</td>
</tr>
<tr>
<td></td>
<td>239,206</td>
</tr>
</tbody>
</table>

Contributions

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employer</td>
<td>155,895</td>
</tr>
<tr>
<td>Participant</td>
<td>13,925</td>
</tr>
<tr>
<td></td>
<td>169,820</td>
</tr>
</tbody>
</table>

Total additions to net assets                      | 409,026  |

Deductions from plan assets attributed to

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefit payments (schedule)</td>
<td>53,357</td>
</tr>
<tr>
<td>Administrative and other expenses (schedule)</td>
<td>53,900</td>
</tr>
<tr>
<td>Total deductions from net assets</td>
<td>107,257</td>
</tr>
</tbody>
</table>

Net increase                                      | 301,769  |

Net assets available for benefits - beginning of year | 2,467,557 |

Net Assets - End of Year                           | $2,769,326 |

The accompanying notes are an integral part of these financial statements.
UNIVERSAL FELLOWSHIP OF METROPOLITAN COMMUNITY CHURCHES
DEFINED BENEFIT PLAN AND TRUST

SCHEDULE OF PLAN DEDUCTIONS
FOR THE YEAR ENDED DECEMBER 31, 2007

<table>
<thead>
<tr>
<th>Benefit payments</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Retirement benefit payout</td>
<td>$53,357</td>
</tr>
<tr>
<td>Death benefit payout</td>
<td>-</td>
</tr>
<tr>
<td>Return of clergy contributions</td>
<td>-</td>
</tr>
</tbody>
</table>

Total Benefit Payments $53,357

<table>
<thead>
<tr>
<th>Administrative and other expenses</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative fees – UFMCC</td>
<td>$30,000</td>
</tr>
<tr>
<td>Administrative fees – Pension Services Corporation</td>
<td>5,784</td>
</tr>
<tr>
<td>Accounting and auditing fees</td>
<td>10,520</td>
</tr>
<tr>
<td>Legal fees</td>
<td>140</td>
</tr>
<tr>
<td>Board of Pensions – annual meeting</td>
<td>5,110</td>
</tr>
<tr>
<td>Board of Pensions – general conference</td>
<td>168</td>
</tr>
<tr>
<td>Postage</td>
<td>781</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>836</td>
</tr>
<tr>
<td>Bank service charges</td>
<td>150</td>
</tr>
<tr>
<td>Insurance – bond</td>
<td>342</td>
</tr>
<tr>
<td>Office supplies</td>
<td>33</td>
</tr>
<tr>
<td>Printing</td>
<td>36</td>
</tr>
</tbody>
</table>

Total Administrative and Other Expenses $53,900

The accompanying notes are an integral part of these financial statements.
Actuarial present value of accumulated plan benefits (Notes 2 and 8)

Vested benefits:

Participants currently receiving payments $ 38,649

Other participants 843,658

882,307

Non-vested benefits

Total Actuarial Present Value of Accumulated Plan Benefits $ 882,307

The accompanying notes are an integral part of these financial statements.
UNIVERSAL FELLOWSHIP OF METROPOLITAN COMMUNITY CHURCHES DEFINED BENEFIT PLAN AND TRUST

STATEMENT OF CHANGES IN ACCUMULATED PLAN BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2007

Actuarial present value of accumulated plan benefits at beginning of year $ 656,299
Increase (decrease) during the year attributable to
Benefits accumulated 278,365
Benefits and returns paid (52,357)
Net increase 226,008
Actuarial Present Value of Accumulated Plan Benefits at End of Year $ 882,307

The accompanying notes are an integral part of these financial statements.
1. DESCRIPTION OF THE PLAN

The following description of the Universal Fellowship of Metropolitan Community Churches Defined Benefit Plan and Trust is provided for general information purposes only. Participants should refer to the Plan agreement for a more complete description of the provisions of the plan.

**General**

The Plan is a defined benefit pension plan, established effective March 17, 1984 between the Universal Fellowship of Metropolitan Community Churches and the Board of Pensions of the Universal Fellowship of Metropolitan Community Churches as Trustees. Pension Services Corporation provides the actuarial services required by the Plan.

**Eligibility and Contributions**

A Clergyperson is any person ordained in the UFMCC as a Clergyperson. A Clergyperson shall be either a currently ordained person whose status is in good standing or a person so designated on a lifetime basis. Any UFMCC clergy is eligible to participate in the Plan and Trust if he or she has been licensed for at least four consecutive years. If a clergy participant’s license is terminated then later reinstated, the date of relicensing will serve as the date for eligibility to receive retirement benefits. A clergy participant must serve 624 hours in a year in order to accrue a year of service for retirement purposes.

Each clergy participant is assessed a mandatory $120.00 per year (or $30.00 per quarter) to the UFMCC Pension Plan and Trust. Each church is assessed a Plan Sponsor Contribution which is provided to the Board of Pensions for payment of clergy benefits. The assessed amount is $.75 per church member per month payable quarterly.

**Vesting, Withdrawal and Forfeiture**

Normal Retirement Date means the date when the Participant has attained age sixty-five or the tenth anniversary of his/her participation in the plan, whichever is later. Every clergy participant who reached normal retirement age while serving as UFMCC clergy are fully vested and entitled to a normal retirement pension. To be fully vested without reaching normal retirement age, the clergy participant must have completed ten years of service. The fully vested clergy participant is eligible to receive full benefits.
1. DESCRIPTION OF THE PLAN (continued)

If a clergy participant withdraws their mandatory clergy assessment, he or she can repay the amount withdrawn, plus interest at the regulatory rate. If a clergy participant who is less than 50 percent vested withdraws his or her contributions, they forfeit their right to the benefit they would have also received as a result of the mandatory church assessment. However, if the clergy participant is 50 percent or more vested, their right to the church's mandatory assessment cannot be denied them.

A clergy participant who ceases to be a UFMCC clergy is entitled to the actuarial present value of his or her accrued benefits.

Investments

Investments are comprised of funds currently invested with UBS Financial Services, Inc. and Securian Retirement Services. These funds are held by the Board of Pensions. Individual investment accounts are disclosed in Note 4.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Plan's financial statements are prepared on the accrual basis of accounting.

Investment Valuation

Investments are valued at the quoted market value as determined and reported by the Investment Administrator.

Realized gains or losses on investment transactions are recorded as the difference between proceeds received and the carrying value of the investment, with carrying value being based on the average cost of the investment. In accordance with presenting investments at market value, net realized and unrealized appreciation or depreciation for the year is set forth in the Statement of Changes in Net Assets Available for Benefits.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Administrative Fees

Administrative expenses are paid by the Plan, and were $5,784 for the year ended December 31, 2007.
2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits are those future periodic payments, including lump-sum distributions that are attributable under the Plan's provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. Benefits under the Plan are based on employees' compensation during their years of credited service. The accumulated plan benefits for active employees are based on their average compensation during their years of credited service ending on the date of which the benefit information is presented (the valuation date). Benefits payable under all circumstances -- retirement, death, disability, and termination of employment -- are included, to the extent they are deemed attributable to employee service rendered to the valuation date. Benefits to be provided via annuity contracts excluded from Plan assets are excluded from accumulated Plan benefits.

The actuarial present value of accumulated plan benefits is determined by an actuary from Pension Services Corporation and is that amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment. The significant actuarial assumptions used in the valuations as of December 31, 2007 were (a) life expectancy of participants, (b) retirement age assumptions, and (c) investment return. The 2007 valuations included assumed average rates of return of 6.5 percent, including a reduction of 1.0 percent to reflect anticipated administrative expenses associated with providing benefits. The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

Payment of Benefits

Benefit payments to participants are recorded upon distribution.

Fixed Assets

Fixed assets consist of various office equipment, which have been fully depreciated over their useful lives using the straight-line method.
3. CONTRIBUTIONS RECEIVABLE

In Management's opinion, accounts receivable from clergy participants and churches are substantially fully collectible. Therefore, an allowance for doubtful accounts has not been provided.

4. INVESTMENTS

The fair values of individual investments that represent the Plan's net assets as of December 31, 2007 are as follows:

<table>
<thead>
<tr>
<th>Fund Description</th>
<th>Fair Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managed I</td>
<td>$76,020</td>
</tr>
<tr>
<td>Long -Term Corp. Bond</td>
<td>82,827</td>
</tr>
<tr>
<td>Mixed Bonds and Equity Fund</td>
<td>540,131</td>
</tr>
<tr>
<td>International Value III</td>
<td>105,256</td>
</tr>
<tr>
<td>Mid-cap Growth Equity III</td>
<td>52,454</td>
</tr>
<tr>
<td>Life Strategy III</td>
<td>83,157</td>
</tr>
<tr>
<td>Mutual Funds</td>
<td>1,586,092</td>
</tr>
</tbody>
</table>

Total Balance: $2,525,937

The cost basis for these investments could not be determined. Due to market conditions, the fair market value of these investments may have decreased significantly subsequent to December 31, 2007. (See Note 9)

5. DATA SUBMITTED BY THE PLAN INVESTMENT ADMINISTRATOR

Records of all financial transactions involving Plan cash, investments, including receipt of investment earnings, payment of expenses and distributions, and purchase and sale of investments are maintained by the Plan Administrator.

All financial data included in the accompanying financial statements have been drawn from the records maintained by the Plan Administrator.
6. INCOME TAX STATUS

This Plan qualifies as a church approved program and is therefore exempt from federal income taxes. The Internal Revenue Service has issued a favorable determination letter in this regard.

7. TERMINATION OF THE PLAN

Although it has not expressed an interest to do so, the Plan Sponsor reserves the right to terminate the Plan and/or to reduce the benefits or discontinue contributions, exercising its own discretion.

In the latter case or in the event the Plan becomes insolvent, the established procedures provide that each clergy participant becomes fully vested on the date of the plan’s termination and that each clergy participant’s benefits will be distributed under the direction of the UFMCC Board of Pensions which may include placing the benefits into a nontransferable deferred annuity. In the interim, each clergy participant may elect whether to receive a lump sum payment or a monthly annuity benefit. Any excess or profits made after distribution to each clergy participant may revert to the UFMCC, given approval of the U.S. Internal Revenue Service.

8. BENEFIT LIABILITY

The Plan provides retirement benefits to the clergy of member churches who qualify under the Plan provisions. An excerpt of the basic provisions includes the following conditions of clergy retirement benefits:

- Licensed 4 consecutive years
- "Hours of Service" condition met
- The later of age 65 or Plan member for 10 years
- Vesting - 100% after 10 years
- Various retirement options

An annual report is prepared for the Plan by Pension Services Corporation. Its report as of December 31, 2007 indicates the following:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clergy members</td>
<td>$164</td>
</tr>
<tr>
<td>Present value of accrued benefits</td>
<td>$882,307</td>
</tr>
<tr>
<td>Present value of future normal costs</td>
<td>$776,946</td>
</tr>
<tr>
<td>Funding deficiency (over funded amount)</td>
<td>$(751,330)</td>
</tr>
</tbody>
</table>
9. RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investments securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of net assets available for benefits.

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.