FREE CHURCH MINISTERS' AND MISSIONARIES' RETIREMENT PLAN

Financial Statements

December 31, 2010

CAPINCROUSE LLP
Certified Public Accountants

FREE CHURCH MINISTERS' AND MISSIONARIES' RETIREMENT PLAN

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Free Church Ministers' and Missionaries' Retirement Plan
Minneapolis, Minnesota

We have audited the accompanying statements of net assets available for benefits (Programs A, B, C, D, E, F, G, and H) and of accumulated plan benefits (Program A) of the Free Church Ministers' and Missionaries' Retirement Plan as of December 31, 2010, and the related statements of changes in net assets available for benefits (Programs A, B, C, D, E, F, G, and H) and of changes in accumulated plan benefits (Program A) 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. The prior year summarized comparative information has been derived from the Plan's 2009 financial statements and, in our report dated May 28, 2010, we expressed an unqualified opinion on those financial statements.

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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 net assets available for benefits (Programs A, B, C, D, E, F, G, and H) and financial status (Program A) of the Free Church Ministers' and Missionaries' Retirement Plan as of December 31, 2010, and the changes in its net assets available for benefits (Programs A, B, C, D, E, F, G, and H) and its financial status (Program A) for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As further described in Note 7, certain computation errors resulted in the understatement of the December 31, 2009, actuarial present value of accumulated plan benefits (Program A). As a result, the prior year financial statements have been restated to reflect the correct amounts.

Capin Crouse LLP

Wheaton, Illinois
May 23, 2011

FREE CHURCH MINISTERS' AND MISSIONARIES' RETIREMENT PLAN

Statement of Net Assets Available for Benefits
December 31, 2010
(With Comparative Totals for 2009)

	Program A	Program B	Program C	Program D	Program E	Program F	Program G	Program H	Total 2010	Total 2009
ASSETS:										
Investments at fair value:										
Pooled investment assets	$ 63,079,201	$ 10,629,863	$ 27,223,264	$ 4,407,806	$ 3,560,454	$ -	$ -	$ -	$ 108,900,588	$ 93,416,115
Money market funds	583,179	-	-	-	-	86,467	35,218	3,105	707,969	699,270
Other investments	-	-	-	-	-	8,625,877	3,907,681	24,679	12,558,237	7,630,263
Total investments at fair value	63,662,380	10,629,863	27,223,264	4,407,806	3,560,454	8,712,344	3,942,899	27,784	122,166,794	101,745,648
Less: contingent sales charge	(300,000)	-	-	-	-	-	-	-	(300,000)	(500,000)
Net investments after sales charge	63,362,380	10,629,863	27,223,264	4,407,806	3,560,454	8,712,344	3,942,899	27,784	121,866,794	101,245,648
Cash	560,887	-	-	-	-	-	-	-	560,887	1,400,957
Accrued interest income	10,967								10,967	6,676
Prepaid expenses	213,880	-	-	-	-	-	-	-	213,880	209,815
Software	107,380	-	-	-	-	-	-	-	107,380	142,400
Total Assets	64,255,494	10,629,863	27,223,264	4,407,806	3,560,454	8,712,344	3,942,899	27,784	122,759,908	103,005,496
LIABILITIES:										
Death benefits payable	-	-	-	-	-	-	-	-	-	60,736
Federal income tax withheld	2,950	-	-	-	-	-	-	-	2,950	-
Due to related party	44,183	-	-	-	-	-	-	-	44,183	57,785
Total Liabilities	47,133	-	-	-	-	-	-	-	47,133	118,521
Net Assets Available for Benefits	$ 64,208,361	$ 10,629,863	$ 27,223,264	$ 4,407,806	$ 3,560,454	$ 8,712,344	$ 3,942,899	$ 27,784	$ 122,712,775	$ 102,886,975

See notes to financial statements

FREE CHURCH MINISTERS' AND MISSIONARIES'
RETIREMENT PLAN

Statement of Changes in Net Assets Available for Benefits
December 31, 2010
(With Comparative Totals for 2009)

	Program A	Program B	Program C	Program D	Program E	Program F	Program G	Program H	Total 2010	Total 2009
ADDITIONS TO NET ASSETS:										
Investment income:										
Net appreciation										
in fair value of investments	$ 6,054,919	$ 1,211,193	$ 2,550,899	$ 496,675	$ 128,064	$ 721,078	$ 303,674	$ -	$ 11,466,502	$ 17,950,171
Dividends	1,305,800	108,096	481,830	43,377	132,783	-	-	-	2,071,886	2,052,921
Interest	19,322	277	3,188	110	1,243	-	-	62	24,202	246,231
	7,380,041	1,319,566	3,035,917	540,162	262,090	721,078	303,674	62	13,562,590	20,249,323
Less investment expenses:										
Fund management fees	103,488	24,219	44,528	9,747	-	-	-	-	181,982	221,119
Consulting and advisory fees	88,642	13,081	33,942	5,169	4,802	-	-	-	145,636	169,151
Net investment income	7,187,911	1,282,266	2,957,447	525,246	257,288	721,078	303,674	62	13,234,972	19,859,053
Employer contributions	542,175	1,171,288	3,817,840	-	-	-	-	-	5,531,303	4,780,884
Employee contributions	-	-	-	806,969	970,372	2,172,001	1,867,796	27,722	5,844,860	8,283,137
Total Additions	7,730,086	2,453,554	6,775,287	1,332,215	1,227,660	2,893,079	2,171,470	27,784	24,611,135	32,923,074
DEDUCTIONS FROM NET ASSETS:										
Benefits paid to participants	2,909,097	446,003	301,730	285,926	117,371	155,889	17,569	-	4,233,585	3,975,969
Administrative expenses	455,671	69,501	175,844	27,682	23,052	-	-	-	751,750	668,722
Total Deductions	3,364,768	515,504	477,574	313,608	140,423	155,889	17,569	-	4,985,335	4,644,691
Net increase before reduction										
in contingent sales charge and transfers	4,365,318	1,938,050	6,297,713	1,018,607	1,087,237	2,737,190	2,153,901	27,784	19,625,800	28,278,383
Reduction in contingent sales charge	200,000	-	-	-	-	-	-	-	200,000	100,000
Net Increase	4,565,318	1,938,050	6,297,713	1,018,607	1,087,237	2,737,190	2,153,901	27,784	19,825,800	28,378,383
Net Assets Available for Benefits:										
Beginning of Year	59,643,043	8,691,813	20,925,551	3,389,199	2,473,217	5,975,154	1,788,998	-	102,886,975	74,508,592
End of Year	$ 64,208,361	$ 10,629,863	$ 27,223,264	$ 4,407,806	$ 3,560,454	$ 8,712,344	$ 3,942,899	$ 27,784	$ 122,712,775	$ 102,886,975

See notes to financial statements

FREE CHURCH MINISTERS' AND MISSIONARIES' RETIREMENT PLAN

Statement of Accumulated Plan Benefits (Program A)
December 31, 2010
(With Comparative Totals for 2009)

	2010	2009
Actuarial present value of accumulated plan benefits:		
Vested benefits:		
Participants currently receiving payments	$ 21,304,953	$ 19,927,801
Active and vested inactive participants	63,780,676	64,639,577
	85,085,629	84,567,378
Nonvested benefits	-	-
Total actuarial present value of accumulated plan benefits	$ 85,085,629	$ 84,567,378

See notes to financial statements

FREE CHURCH MINISTERS' AND MISSIONARIES' RETIREMENT PLAN

Statement of Changes in Accumulated Plan Benefits (Program A)
Year Ended December 31, 2010
(With Comparative Totals for 2009)

Actuarial present value of accumulated plan benefits at December 31, 2008	$ 84,115,303
Increase (decrease) during the year attributable to:	
Benefits accumulated and impact of plan experience	(1,583,533)
Increase for interest due to decrease in discount period	5,046,918
Benefits paid	(3,011,310)
Net decrease	452,075
Actuarial present value of accumulated plan benefits at December 31, 2009	84,567,378
Increase (decrease) during the year attributable to:	
Benefits accumulated and impact of plan experience	(1,646,695)
Increase for interest due to decrease in discount period	5,074,043
Benefits paid	(2,909,097)
Net increase	518,251
Actuarial present value of accumulated plan benefits at December 31, 2010	$ 85,085,629

See notes to financial statements

FREE CHURCH MINISTERS' AND MISSIONARIES' RETIREMENT PLAN

Notes to Financial Statements
December 31, 2010

1. DESCRIPTION OF PLAN:

The following brief description of the Free Church Ministers' and Missionaries' (FCMM) Retirement Plan (Plan) is provided for general information purposes only. Participants should refer to the Plan agreement for more complete information.

GENERAL

The Plan is a defined benefit pension plan (Program A), a money purchase option (Program B), a defined contribution plan (Program C), a member savings plan (Program D for investments in stocks, Program E for fixed income investments), two self directed mutual fund plans (Programs F and G), and an adjustable rate investment plan (Program H) for all ministers, missionaries and other eligible persons affiliated with The Evangelical Free Church of America (EFCA). Established in 1971, the Plan provides for pension and death benefits. Since the Plan is church related, it is not subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

The Plan is managed using three portfolios: (1) a stock portfolio invested in the stock market through an asset allocation model; (2) an income portfolio invested in fixed income and contra-cyclical securities; and (3) the "FCMM Managed" portfolio that handles cash flow, miscellaneous income and retirement and other payments.

The stock and income portfolios gains and/or losses over any given month are distributed to the programs based on their actual value at the beginning of each month. After the gains and/or losses are distributed, any expenses, transfers or withdrawals are added to the accounts, and an end-of-month balance is calculated for each program. All expenses are distributed based on the asset value of each program after the gains or losses are calculated.

CONTRIBUTIONS

Contributions to Program A were frozen on January 1, 2004, with the opening of the new Programs C and D.

Contributions to Program B, made with employer funds, are invested in the stock portfolio at actual dollar value.

Contributions to Program C are invested in stock and income portfolios with a variable rate of return. The rate of return during 2010, was 5%.

Contributions to Program D, made with employee funds, are invested in the stock portfolio at actual dollar value.

Contributions to Program E, made with employer or employee funds, are invested in the income portfolio at actual dollar value.

Contributions to Program F, made with employer or employee funds, are used to purchase participant selected American mutual funds at actual dollar value.

1. DESCRIPTION OF PLAN, continued:

CONTRIBUTIONS, continued
Contributions to Program G, made with employer or employee funds, are used to purchase participant selected Vanguard mutual funds at actual dollar value.

Contributions to Program H, made with employer or employee funds, are used to purchase an adjustable interest rate Investment Certificate with Christian Investors Financial (CIF) at actual dollar value.

PENSION BENEFITS
Beginning at normal retirement age (65), participants in Programs A and C are entitled to an annuity equal to an annual pension benefit based on a 6% interest assumption and the 1983 Group Annuity Mortality Table (Male rates) with no age set. Participants in Programs B, D, E, F, G, and H can take their current cash value as a cash distribution or as an annuity as described above.

NORMAL RETIREMENT: The normal retirement date (NRD) of a participant shall be on the first day of the month following the participant's 65th birthday.

EARLY RETIREMENT: The Plan permits early retirement at age 60. A participant’s pension is based on compensation credits to the date of separation and is actuarially reduced to reflect earlier receipt of pension income.

LATE RETIREMENT: A participant may continue to work beyond NRD and will receive the actuarial equivalent benefit that would have been payable at the NRD. Benefit payments will begin upon actual retirement.

TERMINATION OF EMPLOYMENT
A participant who leaves the employment of a qualified employer for reasons other than retirement or death is entitled to a pension at NRD. The participant may elect to be paid a partial distribution of up to 30% of the employer's contributions (Programs A, B and C), as well as a complete distribution of the participant's balance in Programs D, E, F, G, and H. Remaining cash balances will be held to provide a monthly retirement income commencing on NRD.

An inactive participant, who has left the employment of a qualified employer for reasons other than retirement, may apply for complete termination of participation in the Plan and receive rollover benefits based on the present value of their accounts. Rollover benefits are payable only to plans qualified under the income tax laws of the United States or Canada.

FREE CHURCH MINISTERS' AND MISSIONARIES' RETIREMENT PLAN

Notes to Financial Statements
December 31, 2010

1. DESCRIPTION OF PLAN, continued:

DEATH BENEFIT BEFORE RETIREMENT
When an active participant dies while employed by a qualified employer and before normal retirement age, there shall be paid to his or her beneficiary a death benefit equal to the sum of (a) an amount determined by the participant's total compensation credits in Program A and age in the year of death and (b) the total amount in his or her Programs B, C, D, E, F, G, and H accounts. The minimum death benefit paid to the beneficiary of an active participant employed by a qualified employer in Program A is $10,000 less any amounts previously withdrawn. Death benefits shall be payable in a lump sum or the beneficiary may select an installment method which is actuarially equivalent. If an inactive participant dies before normal retirement age, the death benefit shall be as described above for an active participant but with no minimum payment.

INCOME TAX STATUS
The Internal Revenue Service has determined and informed FCMM by a letter dated January 31, 1972, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC). The Plan has been amended since receiving the determination letter. The Plan administrator, other management and the Plan's actuarial counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan’s financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES:

BASIS OF ACCOUNTING
The accompanying financial statements are prepared on the accrual basis of accounting.

PRIOR YEAR SUMMARIZED INFORMATION
The financial statements include certain prior-year summarized comparative information in total but not by Program. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Plan's financial statements for the year ended December 31, 2009, from which the summarized information was derived.

USE OF ESTIMATES
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 additions and deductions during the reporting period. Actual results could differ from those estimates.

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

INVESTMENT VALUATION AND INCOME RECOGNITION
Investments are dispersed across different economic areas and different geographic regions. Marketable securities are valued at quoted prices in active markets for identical assets. AXA Equitable Accumulator Variable Deferred Annuities are valued at quoted market prices, less a contingent sales charge. Other investments include limited partnerships, real estate investments, and CIF certificates. Limited partnerships and real estate investments are valued based upon the net operating income generated and market capitalization rates. CIF certificates are recorded at cost plus accrued interest. 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.

NET APPRECIATION OR DEPRECIATION IN FAIR VALUE OF INVESTMENTS
In accordance with the policy of stating investments at fair value, the net change in appreciation or depreciation for the year is reflected in the statement of changes in net assets available for benefits. Net appreciation or depreciation includes realized and unrealized gains and losses on investments that were purchased, sold or held during the year.

SOFTWARE
Software is capitalized at cost. Depreciation is computed on the straight-line method over the estimated useful life of the software. The asset is being depreciated over four years.

CONTRIBUTIONS
Contributions are allowed under the specific limitations for 403(b)(9) programs in the IRS Code as agreed upon by the participant and employing organization. Contributions to the Plan are subject to certain limitations in accordance with federal income tax regulations.

PAYMENT OF BENEFITS
Benefit payments to participants are recorded upon distribution or at the time of death.

ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS
Accumulated plan benefits are those future pension benefits that individual participants have accumulated under the Plan's benefit accrual provisions based on current compensation credits earned to date. The actuarial present value of those accumulated plan benefits for Program A as of December 31, 2010, was determined by an actuary from Zingle & Associates, Inc. It is the 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 death, withdrawals or retirement) between the valuation date and the expected date of payment.

2. <u>SIGNIFICANT ACCOUNTING POLICIES, continued:</u>

ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS, continued
The significant actuarial assumptions used in the valuation as of December 31, 2010, were (a) life expectancy of participants (the 1983 Group Annuity Mortality Table was used), (b) retirement age assumptions (the assumed average retirement age was 65), and (c) investment return. The assumed average rate of return was 6.0%. Anticipated administrative expenses associated with providing benefits are assumed to be met by investment earnings in excess of 6.0%. 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.

RECENTLY ADOPTED ACCOUNTING STANDARDS
The Plan adopted the new provisions of the *Income Tax Topic* of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). These provisions clarify the accounting for uncertainty in tax positions and prescribe guidance related to the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The tax benefit from an uncertain tax position is only recognized in the statement of net assets available for benefits if the tax position is more likely than not to be sustained upon an examination, based on the technical merits of the position. Interest and penalties, if any, are included in deductions in the statement of changes in net assets available for benefits. As of December 31, 2010, the Plan had no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

In January 2010, the FASB issued Accounting Standards Update (ASU) No. 2010-06, *Improving Disclosures about Fair Value Measurements*. This amends the *Fair Value Measurement and Disclosures Topic* of the ASC to require additional disclosures. Effective for years beginning after December 15, 2009, the guidance requires entities to disclose transfers of assets in and out of Levels 1 and 2 of the fair value hierarchy, and the reasons for those transfers. Effective for years beginning after December 15, 2010, the guidance requires separate presentation of purchases and sales in the Level 3 asset reconciliation. The adoption of this guidance does not have a material impact on Plan’s financial statements.

RECLASSIFICATIONS
Certain 2009 amounts have been reclassified to conform to the 2010 presentation.

3. PLAN TERMINATION:

In the event that the Plan terminates, the net assets of the Plan will be allocated to provide the following benefits in the order indicated:

a) To provide for the return to all participants and beneficiaries of deceased participants any contributions made by the employer to the extent that such contributions shall not have been returned by benefit payments.

b) To provide for all participants and for beneficiaries of deceased participants, who are entitled at that time to receive benefit payments from the funds, the full value of their accrued and unpaid benefits to the extent not already provided for above.

c) To provide for all participants the full value of their respective accrued benefits to the extent not provided for above.

In the event the funds shall not be sufficient to provide in full for all benefits specified in any one of the preceding categories, the benefits to be provided shall be prorated in proportion to the value of the respective benefits which would be provided if the funds were sufficient.

4. RELATED PARTY TRANSACTIONS:

The Plan reimburses EFCA for its share of building operating costs, support services, postage, office supplies and other miscellaneous expenses provided by EFCA. For the year ended December 31, 2010, this amounted to $265,893. The balance due to EFCA at December 31, 2010, totaled $44,183.

Beginning January 1, 2010 the FCMM payroll is entirely separate from the EFCA Pastoral Care Ministries Department. FCMM no longer pays any part of the salary of any employees of the EFCA. The FCMM payroll is processed through the EFCA payroll department for a fee that is part of paragraph one above.

At December 31, 2010, the Plan had $24,679 invested in certificates sold by CIF. CIF is a nonprofit, tax-exempt affiliated corporation whose Board members are appointed by the EFCA Board. CIF's purpose is to provide financing for the construction, remodeling, refinancing or purchase of church buildings and other projects for EFCA, local churches of EFCA and other affiliated organizations of EFCA throughout the United States.

5. INVESTMENTS:

All investments, except for a savings account, certain money market funds and other investments are held in a combined investment pool which was established for the investment of assets of each of the Plan's Programs A, B, C, D, and E. Each Program has an undivided interest in the pooled assets. At December 31, 2010, each Program's interest in the investment pool was as follows:

Program A	58%
Program B	10%
Program C	25%
Program D	4%
Program E	3%
	100%

Investment income and administrative expenses relating to the investment pool are allocated to the individual programs based upon actual values at the beginning of the month.

FAIR VALUE MEASUREMENTS AND FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value measurements: The Fair Value Measurements and Disclosures Topic of the Financial Accounting Standards Board Standards Codification (ASC), establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority. FCMM uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, FCMM measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs are not available. At December 31, 2010, all of FCMM's material investments that are held at fair value are mutual funds measured using Level 1 inputs (quoted market prices).

Fair value of financial instruments: The carrying amount of cash and CIF certificates approximates fair value due to its liquid nature. Investments in mutual funds are carried at fair value based on quoted market prices. Other investments are not material to the financial statements taken as a whole.

5. INVESTMENTS, continued:

The following table presents the December 31, 2010, fair value measurements of investments in the investment pool and the fair value measurements of investments held outside the investment pool. Investments that represent five percent or more of the combined net assets available for benefits are separately identified in the table below:

Investments held in investment pool:	
Investments at fair value as determined by quoted market price:	
Equity mutual funds:	
Cornerstone Large Cap Growth	$ 9,536,922
Markston International Large Cap Value	8,077,002
Core Equity DF	8,686,703
Columbia Diversified Income Large Cap	8,339,200
AXA Equitable Accumulator Variable Deferred Annuities	10,067,248
Fixed income mutual funds:	
Brandes Core Plus	11,429,218
All other pooled investments	52,764,295
Total before contingent sales charge	108,900,588
Less: contingent sales charge*	(300,000)
Total pooled investments	108,600,588
Investments held outside investment pool:	
Investments at fair value as determined by quoted market price:	
Money market funds	707,969
American funds	8,625,877
Vanguard funds	3,907,681
Total before investments at cost	13,241,527
CIF certificates, at cost	24,679
Total investments outside investment pool	13,266,206
Total all investments	$ 121,866,794

*The AXA Equitable Accumulator Variable Deferred Annuities offer a guaranteed 6% annual return, and carry a life insurance component. Management's intention is to hold these investments for the long term. However, if these investments had been liquidated on December 31, 2010, there would have been a contingent sales charge of $300,000 (5% of the original investment). This contingent sales charge is reduced with the passage of time and will reach zero in 2012.

5. INVESTMENTS, continued:

For the year ended December 31, 2010, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value by $11,466,502, as follows:

Investments held in investment pool:		
Investments at fair value as determined by quoted market price:		
Equity mutual funds	$	6,846,331
AXA Equitable Accumulator Variable Deferred Annuities		2,294,925
Fixed income mutual funds		1,284,845
Total appreciation on pooled investments		10,426,101
Investments held outside investment pool:		
Investments at fair value as determined by quoted market price:		
Davidson partnership		15,649
American funds		721,078
Vanguard funds		303,674
Net appreciation in fair value of all investments	$	11,466,502

6. 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 values of investment securities will occur in the near term and that such changes could materially affect participant's account balances and the amounts reported in the statement of net assets available for benefits.

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.

7. PRIOR PERIOD ADJUSTMENT:

Certain computational errors resulted in the understatement of the December 31, 2009, actuarial present value of accumulated plan benefits. As a result, the prior year amounts in the statement of accumulated plan benefits (Program A) have been restated to reflect the correct actuarial present value of accumulated plan benefits. The 2009 benefits accumulated and impact of plan experience and the December 31, 2009, actuarial present value of accumulated plan benefits have also been restated on the statement of changes in accumulated plan benefits (Program A).

8. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through the report date, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.

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INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL SCHEDULES

Board of Trustees
Free Church Ministers' and Missionaries' Retirement Plan
Minneapolis, Minnesota

Our report on our audit of the financial statements of Free Church Ministers' and Missionaries' Retirement Plan for 2010 appears on page one. Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental schedules of Statement of Net Assets Available for Benefits - By Portfolio and Statement of Changes in Net Assets Available for Benefits - By Portfolio are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Capin Crouse LLP

Wheaton, Illinois
May 23, 2011

FREE CHURCH MINISTERS' AND MISSIONARIES' RETIREMENT PLAN

Statement of Net Assets Available for Benefits - By Portfolio
December 31, 2010
(With Comparative Totals for 2009)

	Program A	Program B	Program C	Program D	Program E	Program F	Program G	Program H	Total 2010	Total 2009
INVESTMENTS AT FAIR VALUE										
Pooled investment assets:										
STOCK PORTFOLIO										
Large Cap Growth	$ 5,270,166	$ 1,294,561	$ 2,435,388	$ 536,806	$ -	$ -	$ -	$ -	$ 9,536,921	$ 17,881,609
Large Cap Core	9,263,734	2,275,540	4,280,849	943,581	-	-	-	-	16,763,704	
Large Cap Value	4,608,297	1,131,980	2,129,533	469,390	-	-	-	-	8,339,200	27,071,171
Global Mid Cap Value	-	-	-	-	-	-	-	-	-	1,095,690
Money Market Funds	29,196	7,172	13,492	2,974	-	-	-	-	52,834	-
Small Mid Cap Value	3,504,740	860,903	1,619,570	356,984	-	-	-	-	6,342,197	4,712,565
Small Mid Cap Growth	3,532,521	867,727	1,632,408	359,814	-	-	-	-	6,392,470	3,690,017
Hedge Funds	9,221,549	2,265,178	4,261,355	939,284	-	-	-	-	16,687,366	-
International Equity	7,844,019	1,926,802	3,624,787	798,973	-	-	-	-	14,194,581	12,776,827
Total Stock Portfolio	43,274,222	10,629,863	19,997,382	4,407,806	-	-	-	-	78,309,273	67,227,879
FIXED INCOME PORTFOLIO										
Core Fixed Income	7,399,336	-	2,699,661	-	1,330,221	-	-	-	11,429,218	12,281,108
Pimco High Yield	2,414,591	-	880,968	-	434,085	-	-	-	3,729,644	-
Pimco Foreign Bond Fund	3,340,814	-	1,218,902	-	600,597	-	-	-	5,160,313	4,277,160
Pimco Commodity	1,481,803	-	540,638	-	266,392	-	-	-	2,288,833	1,839,544
Municipal Bonds	3,956,442	-	1,443,515	-	711,272	-	-	-	6,111,229	6,009,951
Hines Real Estate Fund	1,115,016	-	406,816	-	200,453	-	-	-	1,722,285	1,764,680
Money Market Funds	96,977	-	35,382	-	17,434	-	-	-	149,793	15,793
Total Fixed Income Portfolio	19,804,979	-	7,225,882	-	3,560,454	-	-	-	30,591,315	26,188,236
Pooled investment assets	63,079,201	10,629,863	27,223,264	4,407,806	3,560,454	-	-	-	108,900,588	93,416,115
Less: contingent sales charge	(300,000)	-	-	-	-	-	-	-	(300,000)	(500,000)
Net Pooled Investment Assets	62,779,201	10,629,863	27,223,264	4,407,806	3,560,454	-	-	-	108,600,588	92,916,115
FCMM-MANAGED PORTFOLIO										
Other Investments:										
ECCU Treasury Money Market	583,179	-	-	-	-	86,467	35,218	3,105	707,969	699,270
American Funds	-	-	-	-	-	8,625,877	-	-	8,625,877	5,857,774
Vanguard Funds	-	-	-	-	-	-	3,907,681	-	3,907,681	1,772,489
CIF certificates	-	-	-	-	-	-	-	24,679	24,679	-
Cash	560,887	-	-	-	-	-	-	-	560,887	1,400,957
Accrued interest income	10,967	-	-	-	-	-	-	-	10,967	6,676
Prepaid expenses and accrued interest	213,880	-	-	-	-	-	-	-	213,880	209,815
Software	107,380	-	-	-	-	-	-	-	107,380	142,400
Total FCMM Managed Assets	1,476,293	-	-	-	-	8,712,344	3,942,899	27,784	14,159,320	10,089,381
Liabilities:										
Death benefits payable	-	-	-	-	-	-	-	-	-	60,736
Federal income tax withheld	2,950	-	-	-	-	-	-	-	2,950	-
Due to related party	44,183	-	-	-	-	-	-	-	44,183	57,785
Total FCMM-Managed Liabilities	47,133	-	-	-	-	-	-	-	47,133	118,521
Net Value of FCMM Managed Portfolio	1,429,160	-	-	-	-	8,712,344	3,942,899	27,784	14,112,187	9,970,860
Net Assets Available for Benefits	$ 64,208,361	$ 10,629,863	$ 27,223,264	$ 4,407,806	$ 3,560,454	$ 8,712,344	$ 3,942,899	$ 27,784	$ 122,712,775	$ 102,886,975

FREE CHURCH MINISTERS' AND MISSIONARIES' RETIREMENT PLAN

Statement of Changes in Net Assets Available for Benefits - By Portfolio
Year Ended December 31, 2010
(With Comparative Totals for 2009)

	Program A	Program B	Program C	Program D	Program E	Program F	Program G	Program H	Total 2010	Total 2009
Pooled investment assets:										
STOCK PORTFOLIO										
Investment income:										
Net appreciation in fair value:										
Stocks and equity mutual funds	$ 5,167,205	$ 1,211,193	$ 2,266,183	$ 496,675	$ -	$ -	$ -	$ -	$ 9,141,256	$ 13,599,729
Dividends	463,416	108,096	198,161	43,377	-	-	-	-	813,050	1,061,792
Interest	1,198	277	503	110	-	-	-	-	2,088	126
Total investment income	5,631,819	1,319,566	2,464,847	540,162	-	-	-	-	9,956,394	14,661,647
Investment expenses:										
Fund manager fees	103,488	24,219	44,528	9,747	-	-	-	-	181,982	221,119
Graystone Consulting fees	57,483	13,081	23,567	5,169	-	-	-	-	99,300	111,547
Total investment expenses	160,971	37,300	68,095	14,916	-	-	-	-	281,282	332,666
Net investment income	5,470,848	1,282,266	2,396,752	525,246	-	-	-	-	9,675,112	14,328,981
Transfers between programs and portfolios	(2,149,210)	655,784	2,407,070	493,361	(723)	-	-	-	1,406,282	4,255,516
Net Change in Stock Portfolio Value	3,321,638	1,938,050	4,803,822	1,018,607	(723)	-	-	-	11,081,394	18,584,497
FIXED INCOME PORTFOLIO										
Investment income:										
Net appreciation in fair value:										
Bond mutual funds	872,065	-	284,716	-	128,064	-	-	-	1,284,845	2,843,031
Dividends	842,384	-	283,669	-	132,783	-	-	-	1,258,836	991,129
Interest	8,117	-	2,685	-	1,243	-	-	-	12,045	233,054
Total investment income	1,722,566	-	571,070	-	262,090	-	-	-	2,555,726	4,067,214
Investment expenses:										
Fund manager fees	-	-	-	-	-	-	-	-	-	-
Graystone Consulting fees	31,159	-	10,375	-	4,802	-	-	-	46,336	57,604
Total investment expenses	31,159	-	10,375	-	4,802	-	-	-	46,336	57,604
Net investment income	1,691,407	-	560,695	-	257,288	-			2,509,390	4,009,610
Transfers between programs and portfolios	129,821	-	933,196	-	830,672	-	-	-	1,893,689	(2,505,514)
Net Change in Fixed Income Portfolio Value	1,821,228	-	1,493,891	-	1,087,960	-	-	-	4,403,079	1,504,096
Net change in pooled investment assets before reduction in contingent sales charge	5,142,866	1,938,050	6,297,713	1,018,607	1,087,237	-	-	-	15,484,473	20,088,593
Reduction in contingent sales charge	200,000	-	-	-	-	-	-	-	200,000	100,000
Net Change in Pooled Investment Assets	5,342,866	1,938,050	6,297,713	1,018,607	1,087,237	-	-	-	15,684,473	20,188,593
Beginning Portfolio Value	57,436,335	8,691,813	20,925,551	3,389,199	2,473,217	-	-	-	92,916,115	72,727,522
Ending Portfolio Value	$ 62,779,201	$ 10,629,863	$ 27,223,264	$ 4,407,806	$ 3,560,454	$ -	$ -	$ -	$ 108,600,588	$ 92,916,115

FREE CHURCH MINISTERS' AND MISSIONARIES' RETIREMENT PLAN

Statement of Changes in Net Assets Available for Benefits - By Portfolio, continued
Year Ended December 31, 2010
(With Comparative Totals for 2009)

	Program A	Program B	Program C	Program D	Program E	Program F	Program G	Program H	Total 2010	Total 2009
FCMM MANAGED PORTFOLIO										
Investment income:										
Net appreciation in fair value	$ 15,649	$ -	$ -	$ -	$ -	$ 721,078	$ 303,674	$ -	$ 1,040,401	$ 1,507,411
Dividends	-	-	-	-	-	-	-	62	62	-
Interest	10,007	-	-	-	-	-	-	-	10,007	13,051
Net investment income	25,656	-	-	-	-	721,078	303,674	62	1,050,470	1,520,462
Administrative expenses	455,671	69,501	175,844	27,682	23,052	-	-	-	751,750	668,722
Additions:										
Contributions:										
Employer - Program A	542,175	-	-	-	-	-	-	-	542,175	-
Employer - Program B	-	1,171,288	-	-	-	-	-	-	1,171,288	1,025,939
Employer - Program C	-	-	3,817,840	-	-	-	-	-	3,817,840	3,754,945
Employee - Program D	-	-	-	806,969	-	-	-	-	806,969	998,270
Employee - Program E	-	-	-	-	970,372	-	-	-	970,372	1,232,603
Employee - Program F	-	-	-	-	-	2,172,001	-	-	2,172,001	4,455,274
Employee - Program G	-	-	-	-	-	-	1,867,796	-	1,867,796	1,596,990
Employee - Program H	-	-	-	-	-	-	-	27,722	27,722	-
Total Additions	542,175	1,171,288	3,817,840	806,969	970,372	2,172,001	1,867,796	27,722	11,376,163	13,064,021
Deductions:										
Benefits paid to participants	2,909,097	446,003	301,730	285,926	117,371	155,889	17,569	-	4,233,585	3,975,969
Transfers between programs and portfolios	2,019,389	(655,784)	(3,340,266)	(493,361)	(829,949)	-	-	-	(3,299,971)	(1,750,002)
Net Change in FCMM Managed Portfolio	(777,548)	-	-	-	-	2,737,190	2,153,901	27,784	4,141,327	8,189,790
Beginning Portfolio Value	2,206,708	-	-	-	-	5,975,154	1,788,998	-	9,970,860	1,781,070
Ending Portfolio Value	$ 1,429,160	$ -	$ -	$ -	$ -	$ 8,712,344	$ 3,942,899	$ 27,784	$ 14,112,187	$ 9,970,860
Combined Net Change in all Plan Portfolios	$ 4,565,318	$ 1,938,050	$ 6,297,713	$ 1,018,607	$ 1,087,237	$ 2,737,190	$ 2,153,901	$ 27,784	$ 19,825,800	$ 28,378,383
Net Assets Available for Benefits:										
Beginning of Year	59,643,043	8,691,813	20,925,551	3,389,199	2,473,217	5,975,154	1,788,998	-	102,886,975	74,508,592
End of Year	$ 64,208,361	$ 10,629,863	$ 27,223,264	$ 4,407,806	$ 3,560,454	$ 8,712,344	$ 3,942,899	$ 27,784	$ 122,712,775	$ 102,886,975