

OFFERING CIRCULAR

Methodists Helping Methodists Fund

A Church Loan Fund Issued and Administered By
**Rocky Mountain
United Methodist Foundation, Inc.**

7350 E. Progress Place, Suite # 205
Greenwood Village, Colorado 80111
303-778-6370

Relating to a Maximum of

\$20,000,000

**CERTIFICATES OF PARTICIPATION
ISSUED BY THE
Rocky Mountain
UNITED METHODIST FOUNDATION, INC.**

The Certificates are payable out of certain revenues and assets of the Methodists Helping Methodists Fund; bear interest at a variable rate payable quarterly; and are offered in minimum principal amounts of \$1,000, \$5,000 and \$10,000.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION, NOR HAS ANY COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFERING CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

An investment in these securities does not qualify as a deductible charitable contribution under federal or state tax laws. See "RISK FACTORS" for a discussion of certain material factors that should be considered in connection with an investment in the securities offered hereby.

The date of this Offering Circular is March 1, 2010

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The Fund intends to amend and update this Offering Circular on an annual basis in order to reflect any material changes or events with respect to the Fund. However, neither the delivery of this Offering Circular nor any sale made hereunder shall, under any circumstances, create any implication that the information herein is correct as of any time subsequent to the date hereof or that there has been no change in the affairs of the Fund since such date.

THIS OFFERING CIRCULAR HAS BEEN PREPARED ON A CONFIDENTIAL BASIS FOR THE BENEFIT OF PROSPECTIVE INVESTORS IN CONNECTION WITH THE SALE OF THE CERTIFICATES DESCRIBED HEREIN. THE CERTIFICATES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR THE SECURITIES LAWS OF ANY STATE, IN RELIANCE UPON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THE ACT AND SUCH STATE LAWS, AND THE CERTIFICATES CANNOT BE MORTGAGED, PLEDGED, HYPOTHECATED, TRANSFERRED OR RESOLD UNLESS THEY ARE SUBSEQUENTLY REGISTERED UNDER THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS OR AN EXEMPTION FROM REGISTRATION IS AVAILABLE UNDER THE ACT AND SUCH STATE LAWS.

PROSPECTIVE INVESTORS ARE NOT TO CONSTRUE THE CONTENTS OF THIS OFFERING CIRCULAR OR ANY PRIOR OR SUBSEQUENT COMMUNICATIONS RELATED TO THE CERTIFICATES AS LEGAL OR TAX ADVICE OR ANY INFORMATION NECESSARILY APPLICABLE TO A PROSPECTIVE INVESTOR'S PARTICULAR FINANCIAL SITUATION. EACH INVESTOR SHOULD CONSULT HIS OR HER OWN FINANCIAL ADVISOR, LEGAL COUNSEL, AND ACCOUNTANT AS TO TAX, LEGAL AND RELATED MATTERS CONCERNING AN INVESTMENT IN THE CERTIFICATES.

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS RELATING TO THIS OFFERING ON BEHALF OF THE FUND OR THE FOUNDATION OTHER THAN AS INCLUDED IN THIS OFFERING CIRCULAR. NO OFFERING LITERATURE OR ADVERTISING IN ANY FORM MAY BE EMPLOYED IN THE OFFERING OF THE CERTIFICATES OTHER THAN THIS OFFERING CIRCULAR. THIS OFFERING CIRCULAR HAS BEEN PREPARED SOLELY FOR THE BENEFIT OF PERSONS INTERESTED IN THE PROPOSED LIMITED OFFERING OF THE CERTIFICATES OFFERED HEREBY, AND ANY REPRODUCTION, DISTRIBUTION, OR DISCLOSURE OF ANY OF THE CONTENTS OF THIS OFFERING CIRCULAR IN WHOLE OR IN PART, WITHOUT THE PRIOR WRITTEN CONSENT OF THE FUND AND THE FOUNDATION, IS PROHIBITED.

THE CERTIFICATES ARE OFFERED WHEN, AS AND IF ISSUED, SUBJECT TO THE RIGHT OF THE FUND AND THE FOUNDATION, IN THEIR SOLE DISCRETION, TO REJECT ANY SUBSCRIPTION, AND TO CERTAIN OTHER CONDITIONS. SUBSCRIPTIONS FOR CERTIFICATES CAN BE MADE ONLY BY DELIVERY OF EXECUTED APPLICATIONS FOR INVESTMENT, FORMS OF WHICH ARE ATTACHED TO THIS OFFERING CIRCULAR FOR REVIEW BY PROSPECTIVE INVESTORS.

CERTAIN PROVISIONS OF RELEVANT DOCUMENTS RELATING TO THE CERTIFICATES HAVE BEEN SUMMARIZED IN THIS OFFERING CIRCULAR. SUCH SUMMARIES DO NOT PURPORT TO BE COMPLETE AND ARE SUBJECT TO AND QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO SUCH DOCUMENTS. COPIES OF SUCH DOCUMENTS ARE AVAILABLE UPON REQUEST FROM THE FUND AND THE FOUNDATION.

EACH PROSPECTIVE INVESTOR WILL BE AFFORDED THE OPPORTUNITY TO OBTAIN ALL ADDITIONAL INFORMATION WHICH SUCH INVESTOR OR HIS OR HER PURCHASER REPRESENTATIVE MAY REASONABLY REQUEST RELATING TO THE OFFERING, THE FUND, THE FOUNDATION, OR ANY OF THE DOCUMENTS RELATED TO THIS OFFERING THAT THE FUND OR THE FOUNDATION POSSESSES OR CAN ACQUIRE WITHOUT UNREASONABLE EFFORT OR EXPENSES, AND WHICH IS NECESSARY TO VERIFY THE ACCURACY OF THE INFORMATION CONTAINED IN THIS OFFERING CIRCULAR. EACH PROSPECTIVE INVESTOR AND HIS OR HER PURCHASER REPRESENTATIVE, IF ANY, WILL BE AFFORDED THE OPPORTUNITY TO ASK QUESTIONS OF AND RECEIVE ANSWERS FROM THE FUND AND THE FOUNDATION CONCERNING THE TERMS AND CONDITIONS OF THE OFFERING, THE INFORMATION SET FORTH HEREIN, AND ANY ADDITIONAL INFORMATION THAT IS REQUESTED AND SUPPLIED TO SUCH INVESTOR OR PURCHASER REPRESENTATIVE.

INTRODUCTION

The Fund

The Rocky Mountain United Methodist Foundation's, **Methodists Helping Methodists Fund**, (formerly the Rocky Mountain Conference United Methodist Development Fund), was originally organized in 1960 as The Church Extension Loan Fund, authorized by the 1960 Session of the Rocky Mountain Methodist Annual Conference and revised by the Session in 1965. The original purpose of The Church Extension Loan Fund (the "1960 Loan Fund") was to make loans to local churches for (i) capital improvements, (ii) construction and (iii) to purchase sites for future churches, with all loans secured by first or second mortgages. The 1960 Loan Fund obtained deposits primarily from individuals to make such loans. The February 1, 2010 total aggregate deposit balances from depositors were approximately \$4.1 million.

The Rocky Mountain United Methodist Foundation, Inc. (the "Foundation") was incorporated as a Colorado non-profit corporation in 1987, after being approved by The Annual Conference Session in 1986. With the approval of The Rocky Mountain Conference of The United Methodist Church (a separate legal entity), in 1997 the Foundation established a new loan fund (the "Fund"), which included all or a portion of the 1960 Loan Fund at the discretion of the earlier depositors. The purpose of this new Fund is to procure and manage funds to assist qualifying United Methodist Churches (the "Churches"), and Conference Agencies which own real property (the "Agencies") of the Rocky Mountain Conference and the Yellowstone Conference of The United Methodist Church (the "Conference") in the construction and capital improvement of churches, parsonages, church-owned facilities and other capital projects (the "Projects"). The Fund has made or intends to make first and second mortgage loans (the "Mortgage Loans") to the Churches and Agencies of the Conference from (i) the proceeds of this offering, (ii) existing cash reserves, (iii) future cash flow generated by the Fund, and (iv) any amounts which are remaining from or are generated by the 1960 Loan Fund (collectively, the "Proceeds"). The Foundation on September 16, 1996, received authorization from the Conference Board of Trustees to assume administration and responsibilities of the 1960 Loan Fund.

The Purpose

The Fund's overall purpose is to support the growth and development of the United Methodist Churches and Agencies of the Rocky Mountain Conference and Yellowstone Conference by loaning as much of the Proceeds as possible to creditworthy Churches and Agencies. Certificate holders, by their purchase of Certificates, will enable the Fund to make first and second Mortgage Loans at interest rates expected to be lower than those charged by commercial banks and other institutional lenders. The intent of the Fund is to provide a financing source to eligible Churches and Agencies rather than to generate profits through lending activities.

The Fund will maintain and administer the Proceeds for the purpose of making Mortgage Loans to the Churches and Agencies. The Fund has administered the outstanding mortgage loans made prior to December 31, 1996 by the 1960 Loan Fund which have now been paid off by the borrowing churches and agencies. As of February 1, 2010, there were approximately, 124 participant investors in the Loan Fund with 221 accounts totaling \$4,139,996.

The Certificates

A. Demand Certificates: The Demand Certificates will be issued at their face value, for cash only, in a minimum initial amount of \$1,000 in the form attached hereto as Appendix A. Additional deposits may be made in any amount. Principal and interest on the Demand Certificates is payable solely from debt service received on the Fund's Mortgage Loan portfolio and the Reserve Fund which the Fund intends to maintain in an amount equal to approximately 10% of the outstanding

principal balance of the Certificates (the "Reserve Fund"). Interest on the Demand Certificates will be accrued daily and posted quarterly. The interest amount will be added to principal if the investor has selected this option. If the investor has requested payment of interest, then such payment will be made by check from the Foundation by the end of the month following the end of each quarterly period. The Demand Certificates represent special, unsecured obligations of the Fund, although the Mortgage Loans will be secured by first or second mortgages on real property.

The rate of interest payable on the Demand Certificates, as of February 1, 2010 the rate is .50% per annum. The Fund's Loan Committee will review and may adjust the rate of interest payable on the Demand Certificates based upon the Committee's consideration of a number of factors, including the average rate of return received by the Fund on its Mortgage Loans and the then-prevailing rate of interest being paid to investors on similar investments, such as bank money market accounts. From time to time the Fund's Loan Committee may, in its sole discretion, raise or lower the rate of interest payable on the Demand Certificates. It is expected that the rate of interest payable to Demand Certificate holders will generally be at least two percentage points lower than the average rate of interest charged or earned on the assets of the Fund, including the Mortgage Loans. There is no minimum interest rate or guaranteed rate that must be paid by the Fund on the Demand Certificates.

The Demand Certificates are redeemable by the holders upon demand subject to the restrictions set forth in the Demand Certificates and summarized herein. The Fund is solely responsible for repayment to holders of the Demand Certificates. The Fund is required to repay the Demand Certificates within 30 days after receipt of notice from the Demand Certificate holder, such repayments to be made only out of debt service received on the Mortgage Loan Portfolio, earnings of the Fund, and the Reserve Fund. Should the Fund be unable to promptly repay the principal balance and accrued interest of any Demand Certificate presented for redemption, then the Fund shall repay the principal amount of the Demand Certificate, together with accrued interest thereon, as soon as possible in the order requests for repayment were received by the Fund. In the event the Fund fails to make any such payment, then the Demand Certificate holder will have no recourse against the Foundation, the Conference, or any other United Methodist Agency or organization. In addition, the Fund has the right to call the Demand Certificates at any time, upon 30 days notice to the Demand Certificate holders.

B. Time Certificates: The Time Certificates will be issued at their face value, for cash only, in a minimum initial amount of \$5,000 or \$10,000 in the form attached hereto as Appendix B. The minimum time is anticipated to be 12 months, 24 months, 36 months, 48 months or 60 months. For Time Certificates, the principal amount may not be withdrawn until maturity except at the discretion of the Fund early withdrawals may be allowed. In the event of an early withdrawal the Fund may charge an early withdrawal penalty of up to 90 days' interest on the amount withdrawn. No additions to principal (other than interest credited) are allowed. The interest rate to be paid will be set at the date on which the Time Certificate is issued. Principal and interest on the Time Certificates are payable solely from debt service received on the Fund's Mortgage Loan portfolio and the Reserve Fund which the Fund intends to maintain in an amount equal to approximately 10% of the outstanding principal balance of both the Demand Certificates and the Time Certificates (the "Reserve Fund"). Interest on the Time Certificates will be accrued daily and posted quarterly beginning with the date of receipt of a completed Subscription Agreement and credited or paid quarterly to the record owner until maturity of the Time Certificate. If an investor of \$5000 or more selects, the interest may be paid quarterly. The interest amount will be added to principal if the investor has not selected this option. If the investor has requested payment of interest, then such payment will be made by check from the Foundation by the end of the month following the end of each said period. The Time Certificates represent special, unsecured obligations of the Fund, although the Mortgage Loans will be secured by first or second mortgages on real property.

The rate of interest payable on the Time Certificates, effective February 1, 2010, for amounts of \$5,000 to \$9,999 for one year was 1.85%; for 24 months will be 2.10%; for 36 months will be 2.35%; for 48 months will be 2.85% and for 60 months will be 3.10%. For Time Certificates of \$10,000 or higher

as of February 1, 2010, the rate for one year was 2.00%, for 24 months will be 2.25%, for 36 months will be 2.50%, for 48 months will be 3.00% and for 60 months will be 3.25%. Thereafter, the Fund's Loan Committee will review and may adjust the rate of interest payable on new issues of Time Certificates. The rates will be based upon the Loan Committee's consideration of a number of factors, including the average rate of return received by the Fund on its Mortgage Loans and the then-prevailing rate of interest being paid to investors on similar investments, such as money market accounts and bank certificates of deposit. At such times, the Fund's Loan Committee may, in its sole discretion, raise or lower the rate of interest payable on future Time Certificates. It is expected that the rate of interest payable to Time Certificate holders will generally be at least 2.0 percentage points lower than the average rate of interest charged or earned on the assets of the Fund, including the Mortgage Loans.

The Time Certificates will be held until maturity. A penalty for early withdrawal may be assessed as set forth in the Time Certificate and summarized herein. This penalty for early withdrawal may be an amount equal to 90 days of interest of the Time Certificate on the amount withdrawn. The Fund is solely responsible for repayment to holders of the Time Certificates. The Fund is required to repay the Time Certificates at maturity, such repayments to be made only out of debt service received on the Mortgage Loan Portfolio, earnings of the Fund, and the Reserve Fund. Should the Fund be unable to promptly repay the principal balance and accrued interest of any Time Certificate presented for redemption, then the Fund shall repay the principal amount of the Time Certificate, together with accrued interest thereon (less any applicable early withdrawal penalty), **as soon as possible** in the order requests for repayment were received by the Fund. In the event the Fund fails to make any such payment, then the Time Certificate holder will have no recourse against the Foundation, the Conference, or any other United Methodist Agency or organization. In addition, the Fund has the right to call the Time Certificates at any time, upon 30 days notice to the Time Certificate holders.

The Offering

Certificates	
Currently Offered.....	\$20,000,000
Demand Certificates Outstanding	
As of February 1, 2010.....	\$ 129,054
Time Certificates Outstanding.....	
As of February 1, 2010\$ 4,010,942
Total Outstanding as of February 1, 2010	\$ 4,139,996
Use of Proceeds	90% to make mortgage loans 10% to be held as a Reserve Fund

No part of the proceeds will be used to pay the expenses of this offering or the operating expenses of the Fund, although earnings from investments and interest paid on the Mortgage Loans may be used for future operating expenses.

Method of Offering

The Fund is offering up to an aggregate total of \$20,000,000 of the Demand and/or Time Certificates to qualified investors (individuals, churches and church agencies) who reside in Colorado, Wyoming, Utah and Montana, as well as other states in which the sale of certificates may be permitted. The Demand Certificates will be issued at their face value, for cash only, in a minimum initial amount of \$1,000. The Time Certificates will be issued at their face value, for cash only, in a minimum initial amount of \$5,000 or \$10,000. Investors must acquire the Certificates solely for investment and must make the representations contained in the Subscription Agreement attached hereto as Appendix B. No security firm or other entity underwrites the offering, and the Fund intends to make sales through its officers and employees, the Loan Committee, the Board of Directors of the Foundation, and other means as permitted by law. No commissions of any kind will be paid to any person or entity that sells any of the Certificates.

The Fund will act as sole distributor of the Certificates. No officer or Loan Committee member of the Fund will receive any fee or pecuniary benefit from the sale of the Certificates or the Fund's operation, except for reimbursement of actual expenses incurred and reasonable compensation for services actually rendered in performing his or her regular duties, and not as compensation for sale of the Certificates. No fees of any kind will be paid to any underwriter, broker or independent salesperson.

There is no minimum amount of Demand Certificates and/or Time Certificates that must be sold. If the entire amount of the offering is not needed for the purposes intended, the offering may be terminated or limited and the acceptance of subscriptions suspended at any time. The Fund reserves the right to limit the amount of Demand or Time Certificates that may be purchased by any person at any time.

Financial Information

Audited financial statements of the Foundation for 2007 and 2008 and further financial information regarding the Fund are set forth in Appendix "C".

RISK FACTORS

The Foundation believes that investment in the Fund represents a desire of individual depositors and churches and church-related agencies to assist in the support of church development in the United Methodist Church as well as to obtain a return on their investment. Prospective investors should carefully consider the following factors, in addition to other information contained in this Offering Circular, before purchasing Certificates.

1. Unsecured Limited Obligations. The Certificates are unsecured obligations of the Fund, payable solely out of (i) debt service payments received by the Fund with respect to the Mortgage Loans, (ii) the Reserve Fund which the Fund intends to maintain in an amount equal to at least 10% of the principal amount of outstanding Certificates; (iii) income from investing the Reserve Fund and (iv) a line of credit. Other assets or revenues of the Foundation will not be available to pay principal and interest on the Certificates. The rights and claims of each Certificate shall be equal to that of all other Certificates now outstanding and those that may be issued in the future. The Fund will not create, incur, or voluntarily permit any material lien upon any of its assets or otherwise incur material indebtedness having a prior claim to its assets or otherwise senior to the Certificates except for (i) liens or charges for current taxes, assessments or other governmental charges which are not delinquent or which remain payable without penalty or the validity of which are contested in good faith; or (ii) liens made to secure statutory obligations, surety or appeal bonds, or bonds for the release of attachments or for stay of execution; or (iii) purchase money security interests for property hereafter acquired; or (iv) judgment liens. For purposes of this paragraph, the term "material" shall mean an amount that equals or exceeds 10% of the total capital fund balance of the Fund.

2. No Trust Agreement. The Certificates are not issued pursuant to any trust agreement or indenture, and no indenture trustee or other agent has been appointed to represent the interests of Certificate holders. If the Fund fails to pay interest on any Certificate on the date due, or fails to redeem a Certificate at the request of a Certificate holder, the investor shall have recourse only against the Fund, and not against any other entity or agency of the Rocky Mountain Conference or the Yellowstone Conference of the United Methodist Church.

3. Redemption Upon Demand. Though the Certificates are redeemable upon demand or at maturity, at any given time a substantial portion of the Fund's assets are likely to be invested in Mortgage Loans and may be non-liquid. It is possible that the Fund will be unable to fully redeem Certificates if a substantial number of Certificates are tendered for redemption within a short period of time. In such event, the Fund will redeem Certificates as soon as the Fund is able to do so, in the order that requests for redemption are received by the Fund. As of the date of this Offering Circular, the Fund has been able to honor all requests for redemption immediately. The Fund currently maintains a line of credit in the amount of \$500,000 to have some liquidity for new loans and for redemptions in excess of cash available, but there is no assurance that this line of credit will be sufficient to meet liquidity requirements.

4. No Sinking Fund. There is no provision for a sinking fund requiring periodic deposits to be applied to redemption of Certificates or payment of interest as they become due.

5. No Minimum Interest Rate. There is no minimum interest rate that must be paid by the Fund on the Demand Certificates. It is expected that the rate of interest payable to Demand Certificate holders will generally be approximately one to two percentage points lower than the average rate of return on the assets of the Fund. The Time Certificates are expected to pay the interest rate specified on the Time Certificate on the date issued. Again, investment in either Demand or Time Certificates represents a desire to support church development in The United Methodist Church rather than to obtain the maximum return on investment.

6. Borrower's Dependence Upon Voluntary Contributions. The financial stability of the Churches and Agencies and their ability to make payments of principal and interest on Mortgage Loans are primarily dependent upon voluntary contributions of their members. Because church membership and income may be adversely affected by a variety of factors outside the control of the Church or Agency, including population shifts, tax policy, changing economic conditions and other unpredictable factors, it is possible that a Church or Agency will not receive sufficient voluntary contributions to allow it to meet its obligations under a Mortgage Loan made to it by the Fund.

The Fund's remedies against a Church or Agency that fails to make appropriate payments under a Mortgage Loan are subject to the terms of the mortgage documents (promissory note and deed of trust) relating to the mortgaged property, and applicable provisions of law. Further, the Fund's loan policies are expected to provide that foreclosure of a mortgage will occur only with the approval of the Fund's Loan Committee, and after a period of at least 90 days after the initial default, during which the Loan Committee will work with the Church or Agency and appropriate United Methodist Church Conference and District officers to bring the Mortgage Loan current. Neither the trustees nor any other members of a Church or Agency borrowing from the Fund will be required to personally guarantee any Mortgage Loans from the Fund. While all Churches and Agencies must meet certain established guidelines before loan commitments are approved, there are no assurances that the Fund will be able to collect the principal and interest that comes due throughout the term of the Mortgage Loans.

7. Deficiency in Value of Mortgaged Property. The Mortgage Loan policies are also expected to limit the total a Church or Agency can borrow to an amount that requires no more than one-third of the Church's or Agency's annual income from pledges and gifts for payment of debt retirement. In certain cases, the Loan Policies may require an appraisal of the Mortgaged Property. Property values may change dramatically over time, and consequently, in the event of a foreclosure of a Mortgage Loan,

it is possible that the Fund will not be able to sell the mortgaged property for an amount sufficient to repay the Mortgage Loan. Neither the 1960 Loan Fund nor the current Fund has commenced any foreclosure proceedings in connection with a delinquent loan. In the event the Fund was to foreclose on a secured property, there is no assurance that a subsequent purchaser of the foreclosed property would pay a price equal to or greater than the amount of the loan. Church properties are generally single purpose facilities and thus have a restricted resale market.

8. Loyalty of Loan Committee to United Methodist Church. The Fund requires that at least a majority of the Loan Committee will be members of the United Methodist Church. Although the Loan Policies would not permit the committee to forgive a Mortgage Loan, it is likely that the committee will be more willing to negotiate with the Churches and Agencies which are borrowers than a third party commercial lender might be in working out a solution to a default or other problem with a Mortgage Loan.

9. All Decisions by Loan Committee. The Loan Committee will make all lending decisions. Investors will have no right to approve loans or review any proposed loan prior to consideration of a loan application. The fact that one or more investors in the Fund are members of a Church which requests a loan will not influence the Loan Committee in evaluating whether a particular loan should be made.

10. No Publicly Available Information. Although the Fund intends to provide Certificate holders with certain information on an annual basis, the Fund does not, and is not required to file annual or other periodic reports with the Securities and Exchange Commission or any state securities agency. Accordingly, there is no publicly available information relating to the Fund.

11. Possible Decline in Fund Revenues. The Fund's sources of cash are primarily payments of principal and interest by local United Methodist Churches and Agencies on outstanding Mortgage Loans, investment income earned on the Reserve Fund, the continued sale of new Certificates, and the reinvestment of Certificates. If the Fund becomes unable to make new loans, experiences significant delinquencies on outstanding loans, or it is required (by a change in federal or state law or otherwise) to discontinue the ongoing sale of its Certificates, or if there should be a major decline in the reinvestment rate of maturing Certificates, the amount of cash received by the Fund could be reduced below the amount needed to pay interest on the Certificates or to repay Certificates. Neither the 1960 Loan Fund, nor the current Fund has had any significant loan delinquencies.

12. United Methodist Church Not Liable. Neither the Rocky Mountain Conference nor Yellowstone Conference of the United Methodist Church, the Foundation, nor any other Church or Agency will be liable for the repayment of the Certificates. Investors must rely solely upon the assets and revenues of the Fund for repayment of the Certificates.

13. Maintenance of Liquid Reserves. It is the policy of the Fund to maintain a liquid Reserve Fund comprised of cash, money market funds, certificates of deposit, U.S. Government Obligations, and U.S. Government Agencies and other investments equal to at least 10% of the principal balance of the Fund's outstanding Certificates. Although no changes are currently anticipated, there can be no assurance that such liquidity policy will be continued or that investments in excess of such policy requirement will be maintained in the future. A change in such policy or practice could have an adverse impact upon the Fund's ability to pay accrued interest on Certificates or to repay the principal amount of Certificates that are presented for redemption; however, such changes are not anticipated.

14. Tax Aspects. Investors will not receive a charitable deduction for the purchase of a Certificate. The interest paid or accrued with respect to Certificates will be taxable as ordinary income to the Certificate holder, regardless of whether the interest is paid-out or retained by the Fund and compounded. See "Tax Considerations."

15. Restrictions on Repayments. The Fund will be obligated to repay all principal and accrued interest on any Demand Certificate or Time Certificate that is presented for redemption **within 30 days after written notice is received for redemption.** In order to make timely payments on redeemed Certificates, the Fund intends to maintain a Reserve Fund balance equal to at least 10% of the principal amount of all outstanding Certificates. and also maintain a line of credit. However, there can be no assurance that all amounts due under redeemed Certificates will be timely paid, particularly if a large number of Certificates are redeemed in a relatively short period of time. Interest will continue to accrue on the unpaid principal amount on any Certificate that is not timely paid following presentment of redemption. There will be a penalty for early withdrawal of a Time Certificate by an investor.

16. Non-Liquidity and Restrictions on Transfer. There is no public trading market for the Certificates, and no trading market is ever likely to develop. The transferability of the Certificates is subject to restrictions that are established by applicable state and federal securities laws. In addition, transfer of the Certificates will require the consent of the Fund.

17. Right to Call Certificates. The Fund reserves the right to call any of the Demand Certificates for repayment at any time upon 30 days' prior written notice; or upon 30 day's written notice for the Time Certificates.

18. Competition. Although the Fund believes that most investors view their investment as a form of stewardship, if commercial interest rates become significantly higher than those paid by the Fund, presentment of Certificates for repayment could occur at a rate that might affect the Fund's ability to repay Certificates promptly upon demand.

19. Liability For Debts of Other Connectional Units. The Foundation is a separate entity and believes it has taken all legal steps to ensure that the assets, debts and liabilities of the Fund are independent of the Foundation's unrelated assets and liabilities, as well as the assets and liabilities of the Rocky Mountain Conference and the Yellowstone Conference of the United Methodist Church. It is possible, however, that creditors of the Conference or the Foundation could seek to hold the Fund liable for the debts of such other entities.

USE OF PROCEEDS

The Fund intends to use approximately 90% of the proceeds of the Certificates offered hereby to fund Mortgage Loans to the Conference, Churches and Agencies in accordance with the policies and procedures adopted by the Fund's Loan Committee. The remaining proceeds will be held in the Reserve Fund in cash and cash equivalents, other investments and not loaned. The Reserve Fund will be invested in cash, money market funds, certificates of deposit, U.S. Government Obligations, and U.S. Government Agencies and other investments in accordance with the investment policies and guidelines adopted by the Fund. No part of the proceeds will be used to pay the expenses of this offering or the operating expenses of the Fund, although earnings from investments and interest paid on the Mortgage Loans may be used for future operating expenses.

The Fund's Loan Committee intends to maintain a balance in the Reserve Fund equal to at least 10% of the aggregate principal amount of all Certificates. However, the Fund's Loan Committee may in its sole discretion increase or decrease the 10% designated to the Reserve Fund at any time without notice to the Certificate holders. There are no other specific restrictions on the Reserve Fund.

FUND REVENUES

The Fund's revenues will be primarily derived from (i) debt service payments received on existing and future Mortgage Loans; and (ii) investment revenue from interest and dividends paid on unloaned cash, and from investment of amounts held in the Reserve Fund or which may be awaiting loan requests. (Revenues of the Foundation from unrelated sources or activities, if any, will not be available

to the Fund for the purpose of repaying the principal amount of the Certificates or the interest thereon.) Interest rates will increase, decrease or remain constant in the future. Even though the Fund may have increased the interest rate charged on the Mortgage Loans, significant increase in interest rates might have a material adverse effect on the demand for Mortgage Loans, thereby reducing the Fund's net revenues.

The Fund charges interest on the Mortgage Loans at a variable initial rate that is generally 1.5% to 2% higher than the rate being paid on the Certificates. The Fund establishes the interest rate on Mortgage Loans based upon the amount being loaned, with interest rates initially set by the Loan Committee. The interest rate charged may be adjusted based upon the Committee's analysis depending upon the time period the rate is fixed. The interest rates will be adjusted either annually, every 1 year, 3 years or every 5 years (as selected by the Borrower) with a minimum annual interest rate of 5.0%. The loan repayment period and amortization will not exceed 15 years. As of February 1, 2010 the interest rate on new Mortgage Loans was 5.75% for loans of \$100,000 and above and 6.25% for loans of less than \$100,000

CURRENT LOAN PORTFOLIO AND INVESTORS

As of February 1, 2010 there were a total of twenty-five (25) loans with a combined principal balance of \$2,693,087. The borrowers are all local churches or church agencies such as the Rocky Mountain and Yellowstone Conferences and all loans are secured by first or second mortgages. All of the loans are current in their monthly payments, and the Fund has not encountered any defaults by any of the borrowers. The effective interest rate on the 25 loans in the portfolio is approximately 6.58% with rates varying from a low of 5.75% to a high of 7.50%. The loans have varying maturity dates ranging from September 2010 to January 2024.

The total number of depositors in the Loan Fund as of February 1, 2010 was 124, of which 107 (86%) are individuals, and 27 (14%) are Churches or other church-related entities. As of February 1, 2010, the total amount of time certificates held by depositors was approximately \$ 4,139,996,

LOAN POLICIES

The Fund intends to make Mortgage Loans in accordance with the following Loan Policies that are subject to modification and revision by the Loan Committee from time to time:

1. The Fund will make Mortgage Loans primarily to qualifying United Methodist Churches and Agencies within the Rocky Mountain Conference of the United Methodist Church (Colorado, Wyoming and Utah) and in the Yellowstone Conference of the United Methodist Church (Wyoming and Montana). The Fund may consider loans outside this geographic area if the Loan Committee determines that the Fund has amounts available for such loans outside this geographic area. Every Mortgage Loan must be approved by the Fund's Loan Committee. The Loan Committee will consider only those loan applications that have been made in accordance with the Loan Policies. Mortgage Loans will be considered in the order presented to the Fund. If funds are limited, commitments will be made based on the readiness of a Church or Agency to begin its project, and other factors deemed appropriate by the Loan Committee in its sole discretion.

2. The Fund may make direct Mortgage Loans to the Churches or participate with commercial banks, other financial institutions, other United Methodist Foundations, other non-profit corporations and other Churches in making Mortgage Loans. No Mortgage Loan may be in an amount exceeding 10% of the total assets of the Fund or for a maximum period in excess of 15 years.

3. In considering each Mortgage Loan application, the Fund's Loan Committee will review

the purpose of the project, construction costs of any proposed project, and the value of the property to be mortgaged and the financial capability of the Church or Agency seeking the Mortgage Loan, together with the Executive Director's or other staff analysis. The Loan Committee will make all lending decisions. The Fund may require inspection of properties to be mortgaged and a review of cost estimates secured by the Church or Agency applicant. At the discretion of the Loan Committee, the Fund may from time to time require independent appraisals of properties to be mortgaged, although it is not required to do so by the Loan Policies.

4. Every Mortgage Loan made by the Fund will be secured by a first or second mortgage lien on the real property. Loans granted by the Fund will require the following documentation: For loans of up to \$49,999, an Ownership & Encumbrance Report will be requested. For loans of \$50,000 or greater, the Fund maintains the right to require a Title Insurance policy. For loans exceeding \$100,000, a Title Insurance policy will be required naming the Fund as the mortgagee, issued by a title insurance company licensed to do business in the state where the property is located (Colorado, Wyoming, Utah, or Montana). Each application will be subject to Loan Committee discretion. The documents evidencing the Mortgage Loans are expected to be substantially similar to those used by commercial banks and other institutional lenders in the state where the real estate is located. It is expected that most Mortgage Loans will provide for a term of up to fifteen years, with monthly payments of principal and interest, with the interest rate to be set by the Loan Committee, which rate may be adjusted on an annual, three year or five year period (to be selected by the borrower at the time the loan is made) to a variable interest rate, at the prevailing rate established by the Loan Committee. For loans made prior to April 1, 2008, at the Fund's option, the interest rate on existing loans may be reviewed and adjusted every three years, in an effort to maintain an appropriate spread between the loan rate, market conditions and the rates paid on the Certificates.

5. When sufficient revenues are not available to make Mortgage Loans, potential borrowers will be advised of this so they can seek other lenders.

6. The Fund will require that Churches and Agencies follow certain procedures that have been established by the General Conference of The United Methodist Church with respect to the purchase of property, the construction or remodeling of Church buildings, and the borrowing of funds for these purposes. (Such procedures are described in the 2008 Book of Discipline of the United Methodist Church, or any later additions of the Book of Discipline applicable at the time a loan is made).

MORTGAGE LOAN PROCESSING

The Fund evaluates loan applications in accordance with the following procedure adopted by the Fund's Loan Committee. First, the Church or Agency must submit a loan application on a standard form provided by the Fund. The completed application contains:

- a. Relevant statistical and financial information about the Church or Agency and the proposed Project;
- b. Certification by the President and Secretary of the Trustees of the Church or Agency showing that the proposed borrowing has been properly authorized; and
- c. For Churches with projects that exceed 10% of the value of the current property, certification that the proposed borrowing has been approved by the pastor, the District superintendent, and the District Board of Church Location and Building, as required by the Book of Discipline.

The loan application will be evaluated by the Executive Director or other Foundation staff, who will:

- a. Consider whether any loan application is consistent with the Fund's Loan Policies;

- b. Consider the overall financial situation of the applicant Church or Agency to determine whether it has the resources in hand to make debt service payments based upon written information and reports;
- c. Consult with any Church or Agency whose application would result in its aggregate debt service, including the Mortgage Loan, representing more than one-third of the Church's or Agency's total income;
- d. Evaluate whether a Church's membership and attendance are growing; evidence of the general level of support for the Church's programs, including the proposed Project; and consider whether the Church is physically located in an area experiencing increasing or decreasing economic growth; and
- e. Consider whether the Project itself is appropriate for the Church or Agency to be undertaking in light of its financial situation, support for the Project and location of the Project. In addition, the Executive Director or Foundation staff may visit the Project site and meet with the members of the Church's Building Committee and/or Board of Trustees before recommending any Mortgage Loan for approval by the Fund's Loan Committee.

If the Executive Director determines the Mortgage Loan to be sound, and the Fund has sufficient funds to make the Mortgage Loan, the Loan Application will then be presented to the Fund's Loan Committee for approval. The Fund's Loan Committee will evaluate the Loan Application and disapprove or grant the Mortgage Loan and establish its terms. If the Mortgage Loan is approved, the Fund will issue a written commitment to the Church or Agency setting forth the terms and any conditions of the Mortgage Loan.

MANAGEMENT

Management of the Fund is vested in the Loan Committee. Members of the Loan Committee are recommended by the President of the Foundation and confirmed by the Foundation Board of Directors, to serve three-year terms. Loan Committee members may be members of the Foundation's Board of Directors, and the chair must be a member of the Foundation's Board of Directors. A majority of Loan Committee members must be members of the United Methodist Church. Loan Committee members may serve no more than nine consecutive years. The number of Loan Committee members shall be not less than three or more than ten. The Loan Committee has adopted a "conflict of interest" policy that prohibits members from participating in the approval of loans to such member's local church.

Loan Committee members do not receive any compensation for serving on the committee, although each member may receive reimbursement of reasonable out-of-pocket expenses incurred in connection with attending committee meetings. The Loan Fund, pursuant to the Foundation By-laws, will indemnify its Loan Committee members, officers and staff for liability incurred in the performance of their duties on the behalf of the Fund.

Set forth below is certain information regarding the Fund's existing Loan Committee members and staff. The members and staff may change in the future.

Loan Committee Members

The current members of the Loan Committee are as follows:

Charles A. Miller, born 1946, Partner with Stutz, Miller & Urtz, LLC law firm with offices in downtown Denver and Edwards, Colorado. He has been a practicing attorney for over 35 years with emphasis in estate planning and probate, real estate and general small business law. He graduated

with a B.A. from the University of New Mexico and a J.D. from Harvard Law School. Charlie is involved in a number of community activities and has served on various charitable boards including the Denver Rotary Club Foundation and Rocky Mountain Multiple Sclerosis Center. He has been a member of Park Hill United Methodist Church since 1975.

Vicki Rapp, born 1950, was engaged in the banking industry 25 years. Before retiring in 2000 she was President of Wells Fargo/Norwest at Southglenn, Highlands Ranch and Castle Rock. She attends St. Andrew UMC Littleton, Colorado. She serves her church on the Life Stewardship Committee and as a Class Facilitator for Adult Education studies.

T. Steve Burnett, born 1951, has served as Superintendent of the Rocky Mountain Conference of the United Methodist Church Peaks and Plains District 1999-2005 and Mile High/Pikes Peak District 2005-2007, at which time he was appointed senior pastor to First UMC, Casper, Wyoming. In the Rocky Mountain Conference since 1984, he has served as Minister of Christian Education for Colorado Springs, First; senior pastorates at Steamboat Springs UMC and First UMC, Pueblo.

Mark Frasier, born 1959, Business Manager for Frasier Farms. Has serves as a Bank Director and is long time member of Howard UMC, Last Chance, Colorado.

Jerry Boles, born 1952, currently serving as Senior Minister at the Trinity U.M.C. of Colorado Springs, he has worked as a pastor for ten years also serving Dove Creek and Cortez U.M.Churches. Before Ministry he worked as Real Estate Broker for over 20 years, He serves on several Conference committees and active with Native American Ministries.

Steve Horesh, born 1954, has more than 25 years experience in the banking industry in both large and small banks including positions as a business banker and as a regional credit risk manager. He is a certified public accountant. He currently is the Business Banking Manger at Wells Fargo Bank Bear Valley. He and his family are members of the Broomfield United Methodist Church and very active with the Boy Scouts.

Staff

The Fund's current staff includes:

Marilyn Bierbach, born 1952, has been an employee of the Foundation since 1992 and is currently the Executive Director, with responsibility for the overall administration and marketing of the Foundation services. Mrs. Bierbach holds a Masters Degree in Management from the University of Colorado. She has 15 years experience in accounting and management for several large corporations including insurance, cable television, home building, international magazine, and oil & gas. She and her family are members of the Columbine United Church, Littleton, CO

Martha Friedrich, Account Manager, born 1960 has been an employee of the Foundation since 2004. She is responsible for the daily accounting of all investor and loan accounts. Mrs. Friedrich holds an MBA in Finance from the University of Michigan. She and her husband have three children and live in Centennial. She attends St. Andrew United Methodist Church.

PLAN OF DISTRIBUTION

The Fund is offering up to an aggregate total of \$20,000,000 of the Certificates to qualified investors who reside in Colorado, Wyoming, Utah and Montana, as well as other states in which the sale of Certificates may be permitted. The Certificates will be issued at their face value, for cash only, in a minimum initial amount of \$1,000 for demand deposits with additional deposits of any amount, and a

minimum initial amount of \$5,000 and \$10,000 for Term Certificates with a 12 month, 24 month, 36 month, 48 month or 60 month term. Investors must acquire the Certificates solely for investment and must make the representations contained in the Subscription Agreements attached hereto as Appendix B. The offering is not underwritten by any securities firm or other entity, and the Fund intends to make sales through its officers and employees, the Loan Committee, the Board of Directors and other means as may be permitted by law. No commissions of any kind will be paid to any person.

The Fund will act as sole distributor of the Certificates. No officer or Loan Committee member of the Fund will receive any fee or pecuniary benefit from the sale of the Certificates or the Fund's operation, except for reimbursement of actual expenses incurred and reasonable compensation for services actually rendered in performing his or her regular duties, and not as compensation for sale of the Certificates. No fees of any kind will be paid to any underwriter, broker or independent salesperson.

There is no minimum amount of Certificates that must be sold. If the entire amount of the offering is not needed for the purposes intended, the offering may be terminated or limited and the acceptance of subscriptions suspended at any time. The Fund reserves the right to limit the amount of Certificates that may be purchased by any person at any time.

Only those persons who have received this Offering Circular, and completed and returned the appropriate Subscription Agreement, together with a minimum payment of \$1,000, \$5,000 or \$10,000 in the form of a check or other acceptable medium of payment to the Methodists Helping Methodists Fund, may purchase the Certificates offered hereby. The Fund reserves the right to reject any subscription in whole or in part. A Subscription Agreement must be properly completed and signed for acceptance.

Completed Subscription Agreements and payment for the Certificates may be forwarded to the R.M. United Methodist Foundation, Inc., 7350 E. Progress Place, Suite 205, Greenwood Village, Colorado 80111.

LEGAL MATTERS

The legality of the Certificates offered hereby is being passed upon by Stutz, Miller & Urtz, LLC, Denver, Colorado.

TAX CONSIDERATIONS

Investors will not receive a charitable deduction for the purchase of a Certificate. The interest paid or accrued on the Certificates will be taxable as ordinary income to an investor in the year paid or accrued. Investors will not be taxed on the return of the principal amount or on the payment of previously accrued and taxed interest. The Fund will notify investors of interest earned on the Certificates by sending them Federal Income Tax Form 1099 INT or other appropriate form by January 31 of each year, or such other period as may be required or permitted by federal tax law.

PERIODIC REPORTS

The Fund intends to provide Certificate holders with certain financial information within six months after the end of each year. Such information is expected to consist of financial statements for the Fund with respect to the prior year as well as a narrative analysis of the Fund's Mortgage Loan portfolio.

Audits are performed annually by a certified public accounting firm. The audits for the past 6 years have been performed by Capin Crouse LLP 1501 West Mineral Avenue Littleton, CO 80120

APPENDIX A
METHODISTS HELPING METHODISTS FUND
Certificate of Participation (Demand)

Account No.

Certificate No.

Issued To:

Face Amount:

Dated:

The Rocky Mountain United Methodist Foundation, Inc. on behalf of the Methodists Helping Methodists Fund (the "Fund"), having its principal place of business at 7350 E. Progress Place., Suite 205, Greenwood Village, Colorado, 80111, certifies that the above-named individual(s) has/have made an investment of the above stated amount (the "Face Amount") in the Fund and is/are entitled, to the extent of the Face Amount and upon the terms hereinafter set forth, to a participation in certain assets held by the Fund in the form of mortgage loans, United States government obligations and agencies and cash (the "Fund Assets") for the benefit of the holders of its Certificates of Participation (the "Certificates").

The proceeds of this Certificate shall be invested primarily in first and second mortgage loans to be made by the Fund to United Methodist Churches and related agencies in the Rocky Mountain Conference and Yellowstone Conference of the United Methodist Church.

Interest on the Face Amount shall be paid or reinvested quarterly to the record owner of the Certificate at a rate to be determined by the Loan Fund Committee of the Fund prior to the beginning of each quarter. The record owner may redeem this Certificate upon thirty days advance notice to the Fund for its Face Amount plus accrued interest upon its presentation to the Fund.

The Fund intends to maintain a Reserve Fund balance of at least 10% of the principal amount of all outstanding certificates. If not paid within such 30-day period, the unpaid balance of the Certificate will continue to bear interest at the then existing rate. If not paid within the 30-day period, the Certificate would be in default, and the holder entitled to bring legal action against the Fund to recover the amounts due plus the costs of collection including reasonable attorney fees.

The Fund reserves the right to redeem this Certificate at any time after thirty days written notice to the record owner by payment of the Face Amount plus accrued interest. This Certificate is assignable upon proper endorsement and surrender hereof to the Fund for cancellation. This certificate may be transferred only to qualified investors in the Fund, or by operation of law.

All outstanding Certificates issued by the Fund will have equal priority with respect to the Fund's assets. Further, the Certificates will have equal priority with any additional certificates of participation issued by the Fund (collectively, the "Fund Certificates"). The relative priority of each Fund Certificate holder is based on the Face Amount of the holder's outstanding Certificates. If the Fund is unable to meet its obligations to holders of the Certificates, such holders will have no recourse against any other entity or agency of the United Methodist Church.

Rocky Mountain United Methodist Foundation, Inc.
a Colorado non-profit corporation on behalf of
Methodists Helping Methodists Fund
By _____

APPENDIX A
METHODISTS HELPING METHODISTS FUND
Certificate of Participation (TERM)

Account No.		Certificate No.
Issued To:		Face Amount:
Dated:	Interest Rate:	Maturity Date:

The Rocky Mountain United Methodist Foundation, Inc. on behalf of the Methodists Helping Methodists Fund (the "Fund"), having its principal place of business at 7350 E. Progress Place., Suite 205, Greenwood Village, Colorado, 80111 certifies that the above-named investor(s) has/have made an investment of the above stated amount (the "Face Amount") in the Fund and is/are entitled, to the extent of the Face Amount and upon the terms hereinafter set forth, to a participation in certain assets held by the Fund in the form of mortgage loans, United States government obligations and agencies and cash (the "Fund Assets") for the benefit of the holders of its Certificates of Participation (the "Certificates").

The proceeds of this Certificate shall be invested primarily in first and second mortgage loans to be made by the Fund to United Methodist Churches and related agencies in the Rocky Mountain Conference and the Yellowstone Conference of the United Methodist Church.

Interest on the Face Amount at the above rate shall be paid or reinvested quarterly to the record owner of the Certificate until maturity. A penalty may be assessed for full redemption before maturity in an amount equal to 90 (ninety) days' interest on the withdrawn amount.

The Fund intends to maintain a Reserve Fund balance of at least 10% of the principal amount of all outstanding certificates. If not paid within such 30-day period, the unpaid balance of the Certificate will continue to bear interest at then existing rate. If not paid within the 30-day period, the Certificate would be in default, and the holder entitled to bring legal action against the Fund to recover the amounts due plus the costs of collection including reasonable attorney fees.

The Fund reserves the right to redeem this Certificate at any time after thirty days written notice to the record owner by payment of the Face Amount plus accrued interest. This Certificate is assignable upon proper endorsement and surrender hereof to the Fund for cancellation. This certificate may be transferred only to qualified investors in the Fund, or by operation of law.

All outstanding Certificates issued by the Fund will have equal priority with respect to the Fund's assets. Further, the Certificates will have equal priority with any additional certificates of participation issued by the Fund (collectively, the "Fund Certificates"). The relative priority of each Fund Certificate holder is based on the Face Amount of the holder's outstanding Certificates. If the Fund is unable to meet its obligations to holders of the Certificates, such holders will have no recourse against any other entity or agency of the United Methodist Church.

Rocky Mountain United Methodist Foundation, Inc.
a Colorado non-profit corporation on behalf of
Methodists Helping Methodists Fund

By _____

APPENDIX B
SUBSCRIPTION AGREEMENT (DEMAND)

This Subscription Agreement (the “Agreement”) is made by and between the Rocky Mountain United Methodist Foundation, Inc., a Colorado non-profit corporation (the “Foundation”), administrator of the Methodists Helping Methodists Fund (the “Fund”), and the undersigned prospective investor who is subscribing for Demand Certificates of Participation (the “Demand Certificates”), in the Fund to be issued by the Foundation pursuant to the Offering Circular and as amended from time-to-time and including all exhibits and attachments thereto (collectively, the “Offering Circular”).

The undersigned hereby irrevocably subscribes for and agrees to purchase Demand Certificates in the principal amount indicated on the signature page hereof. Simultaneously with the execution of this Agreement, the undersigned is making the payment set forth on the signature page (the “Payment”), in the form of a check, money order, banker’s draft or wire transfer made payable to or deposited into the account of the Methodists Helping Methodists Fund.

The undersigned hereby represents and warrants to the Foundation as follows:

A) The Demand Certificates are being purchased for the undersigned’s own account for investment purposes only, not for the account of any other person and not with a view to distribution, assignment or resale to others.

B) The undersigned has been furnished with and has carefully read the Offering Circular, including but not limited to the information disclosed under “Risk Factors.” The undersigned is familiar with and understands the terms and condition of the Certificates, the terms of this Offering and the proposed activities of the Methodists Helping Methodists Fund (the “Fund”). The undersigned has been afforded the opportunity to discuss the Certificates and the proposed activities of the Fund with its representatives and to obtain all additional documents and information requested by the undersigned relating to the Demand Certificates.

C) The undersigned agrees to look only to those assets of the Fund for repayment of the principal amount of the Demand Certificates and interest thereon. Such assets will consist solely of payment received by the Fund with respect to Mortgage Loans made by it, as well as the cash reserve that the Fund intends to maintain with respect to the Demand Certificates, all as more fully described in the Offering Circular.

D) With respect to tax and other financial considerations involved in this investment, the undersigned is not relying on any advice or opinions from the Foundation or any person acting on its behalf. The undersigned has carefully considered and has, to the extent the undersigned believes appropriate, discussed with his or her legal, tax, accounting and financial advisors the suitability of an investment in the Demand Certificates for his or her particular tax and financial situation and has determined that the Demand Certificates for which the undersigned is subscribing are a suitable investment.

E) The undersigned will indemnify and hold harmless the Foundation and any officer, employee, director, member, control person, agent or representative of the Foundation who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, by reason of or arising from any breach of the undersigned’s warranties, covenants or agreements set forth herein against losses, liabilities and expenses for which any such indemnified person actually and reasonably incurred by the Foundation or such person in connection with such action, suit or proceeding.

F) This Agreement shall be enforced, governed and construed in all respects in accordance with the law of the State of Colorado, shall be binding upon the undersigned, the undersigned’s heirs, estate, legal representatives, successors and assigns and shall inure to benefit of the Foundation, its successors and assigns.

G) Check below to indicate whether you wish to receive all interest payments in the form of:

_____ a quarterly check: or _____ added quarterly to the principal amount of the account.
(If no choice is indicated, interest will be added to principal. Elections may be changed by 30 days' written notice to the Fund.)

H) I/We wish to subscribe for a Demand Certificate with the enclosed check in the amount of

\$ _____ Dated _____, 20_____.

I/We am/are member(s) of _____ United Methodist Church, in _____ (City, state).

Signature of Subscriber _____

Name (please type or print) _____

Address _____ City _____

State _____ Zip _____ Phone _____ Email _____

Social Security or Taxpayer Identification Number _____

Signature of Joint Subscriber _____

Name (please type or print) _____

Address _____ City _____

State _____ Zip _____ Phone _____

Social Security or Taxpayer Identification Number of Joint Subscriber _____

Name of Custodian for a Minor _____ Social Security # _____

As custodian for _____

(Minor's Name and Social Security Number)

under the (name of State) _____ Uniform Transfer to Minors Act

Name of Beneficiary (if payable on death) _____

Address _____ City _____ State _____ Zip _____

Phone _____

OR - I/We would like to make my/our account an estate gift to the "MHM" Fund Endowment: Yes ___ No ___

ACCEPTED _____ 20_____

ROCKY MOUNTAIN UNITED METHODIST FOUNDATION, INC.

A Colorado non-profit corporation

On behalf of the Methodists Helping Methodists Fund

BY: _____

Executive Director

APPENDIX B
SUBSCRIPTION AGREEMENT
Term Certificate

This Subscription Agreement (the “Agreement”) is made by and between the Rocky Mountain United Methodist Foundation, Inc., a Colorado non-profit corporation (the “Foundation”), administrator of the Methodists Helping Methodists Fund (the “Fund”), and the undersigned prospective investor who is subscribing for Time Certificates of Participation (the “Time Certificates”) in the Fund to be issued by the Foundation pursuant to the Offering Circular and as amended from time-to-time and including all exhibits and attachments thereto (collectively, the “Offering Circular”).

The undersigned hereby irrevocably subscribes for and agrees to purchase Time Certificates in the principal amount indicated on the signature page hereof. Simultaneously with the execution of this Agreement, the undersigned is making the payment set forth on the signature page (the “Payment”), in the form of a check, money order, banker’s draft or wire transfer made payable to or deposited into the account of the Methodists Helping Methodists Fund.

The undersigned hereby represents and warrants to the Foundation as follows:

A) The Time Certificates are being purchased for the undersigned’s own account for investment purposes only, not for the account of any other person and not with a view to distribution, assignment or resale to others.

B) The undersigned has been furnished with and has carefully read the Offering Circular, including but not limited to the information disclosed under “Risk Factors.” The undersigned is familiar with and understands the terms and condition of the Time Certificates, the terms of this Offering and the proposed activities of the Methodists Helping Methodists Fund (the “Fund”). The undersigned has been afforded the opportunity to discuss the Time Certificates and the proposed activities of the Fund with its representatives and to obtain all additional documents and information requested by the undersigned relating to the Time Certificates.

C) The undersigned agrees to look only to those assets of the Fund for repayment of the principal amount of the Time Certificates and interest thereon. Such assets will consist solely of payment received by the Fund with respect to Mortgage Loans made by it, as well as the cash reserve that the Fund intends to maintain with respect to the Time Certificates, all as more fully described in the Offering Circular.

D) With respect to tax and other financial considerations involved in this investment, the undersigned is not relying on any advice or opinions from the Foundation or any person acting on its behalf. The undersigned has carefully considered and has, to the extent the undersigned believes appropriate, discussed with his or her legal, tax, accounting and financial advisors the suitability of an investment in the Time Certificates for his or her particular tax and financial situation and has determined that the Time Certificates for which the undersigned is subscribing are a suitable investment.

E) The undersigned will indemnify and hold harmless the Foundation and any officer, employee, director, member, control person, agent or representative of the Foundation who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, by reason of or arising from any breach of the undersigned’s warranties, covenants or agreements set forth herein against losses, liabilities and expenses for which any such indemnified person actually and reasonably incurred by the Foundation or such person in connection with such action, suit or proceeding.

F) This Agreement shall be enforced, governed and construed in all respects in accordance with the law of the State of Colorado, shall be binding upon the undersigned, the undersigned’s heirs, estate, legal representatives, successors and assigns and shall inure to benefit of the Foundation, its successors and assigns.

G) Check below to indicate whether you wish to receive all interest payments in the form of:
_____ A quarterly check; or _____ quarterly added to the principal amount of the account-
(If no choice is indicated, interest will be added to principal quarterly. Elections may be changed by 30 days' written notice to the Fund.)

H) I/We wish to subscribe for a Term Certificate with the enclosed check in the amount of

\$ _____ Dated _____, 20_____.

I) I/We want the Certificate to be for the following period of time (check one):

_____ 12 months; _____ 24 months; _____ 36 months; _____ 48 months; _____ 60 months.

J) I/We understand that should we close our account before maturity, a penalty of 90 days' interest on the account balance or the amount withdrawn may be charged by the Fund.

Dated _____, 20_____.

I/We am/are member(s) of _____ Methodist Church, in _____ (city, state).

Signature of Subscriber _____

Name (please type or print) _____

Address _____ City _____

State _____ Zip _____ Phone _____ Email _____

Social Security or Taxpayer Identification Number _____

Signature of Joint Subscriber _____

Name (please type or print) _____

Address _____ City _____

State _____ Zip _____ Phone _____

Social Security or Taxpayer Identification Number of Joint Subscriber _____

Name of Custodian for a Minor _____ Social Security # _____

As custodian for _____

(Minor's Name and Social Security Number)

under the (name of State) _____ Uniform Transfer to Minors Act

Name of Beneficiary (if payable on death) _____

Address _____ City _____ State _____ Zip _____

Phone _____

OR - I/We would like to make my/our account an estate gift to the "MHM" Fund Endowment ___ Yes ___ No

ACCEPTED _____ 20_____

ROCKY MOUNTAIN UNITED METHODIST FOUNDATION, INC.

A Colorado non-profit corporation

On behalf of the Methodists Helping Methodists Fund

BY: _____

Executive Director

CHURCH/AGENCY

SUBSCRIPTION AGREEMENT (Demand)

This Subscription Agreement (the "Agreement") is made by and between the Rocky Mountain United Methodist Foundation, Inc., a Colorado non-profit corporation (the "Foundation"), administrator of the Methodists Helping Methodists Fund (the "Fund"), and the undersigned prospective investor who is subscribing for Demand Certificates of Participation (the "Demand Certificates") in the Fund to be issued by the Foundation pursuant to the Offering Circular, as amended from time-to-time and including all exhibits and attachments thereto (collectively, the "Offering Circular").

The undersigned hereby irrevocably subscribes for and agrees to purchase Demand Certificates in the principal amount indicated on the signature page hereof. Simultaneously with the execution of this Agreement, the undersigned is making the payment set forth on the signature page (the "Payment"), in the form of a check, money order, banker's draft or wire transfer made payable to or deposited into the account of the Methodists Helping Methodists Fund.

The undersigned hereby represents and warrants to the Foundation as follows:

A) The Demand Certificates are being purchased for the undersigned's own account for investment purposes only, not for the account of any other person and not with a view to distribution, assignment or resale to others.

B) The undersigned has been furnished with and has carefully read the Offering Circular, including but not limited to the information disclosed under "Risk Factors." The undersigned is familiar with and understands the terms and condition of the Certificates, the terms of this Offering and the proposed activities of the Methodists Helping Methodists Fund (the "Fund"). The undersigned has been afforded the opportunity to discuss the Demand Certificates and the proposed activities of the Fund with its representatives and to obtain all additional documents and information requested by the undersigned relating to the Demand Certificates.

C) The undersigned agrees to look only to those assets of the Fund for repayment of the principal amount of the Demand Certificates and interest thereon. Such assets will consist solely of payment received by the Fund with respect to Mortgage Loans made by it, as well as the cash reserve that the Fund intends to maintain with respect to the Certificates, all as more fully described in the Offering Circular.

D) With respect to tax and other financial considerations involved in this investment, the undersigned is not relying on any advice or opinions from the Foundation or any person acting on its behalf. The undersigned has carefully considered and has, to the extent the undersigned believes appropriate, discussed with his or her legal, tax, accounting and financial advisors the suitability of an investment in the Demand Certificates for his or her particular tax and financial situation and has determined that the Demand Certificates for which the undersigned is subscribing are a suitable investment.

E) The undersigned will indemnify and hold harmless the Foundation and any officer, employee, director, member, control person, agent or representative of the Foundation who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, by reason of or arising from any breach of the undersigned's warranties, covenants or agreements set forth herein against losses, liabilities and expenses for which any such indemnified person actually and reasonably incurred by the Foundation or such person in connection with such action, suit or proceeding.

F) This Agreement shall be enforced, governed and construed in all respect accordance with the law of the State of Colorado, shall be binding upon the undersigned, the undersigned's heirs, estate, legal representatives, successors and assigns and shall inure to benefit of the Foundation, its successors and assigns.

G) Check below to indicate whether the Church/Agency wishes to receive all interest payments in the form of:

_____A check: or _____an increase in the principal amount of the account. (If no choice is indicated, interest will be added to principal. Elections may be changed by 30 days' written notice to the Fund.)

H) We wish to subscribe, as follows, on behalf of the United Methodist Church below:

Principal Amount of Demand Certificate subscribed for \$_____.

DATED _____, 20__ .

AUTHORIZATION OF INVESTMENT

This certifies that the Administrative Board/Council of the _____United Methodist Church, at

_____ (address,city,state, zip)

on this ____ day of _____, 200__, adopted the following Resolution:

"RESOLVED that members of the _____ Committee authorize that \$_____

be invested in a Certificate of Participation in the "Methodists Helping Methodists" Fund, issued by The Rocky Mountain United Methodist Foundation, Inc.

Signed:_____

Chair, Ad Board/Council

Date

Senior Pastor

Date

Church Treasurer

Date

Chair, _____ Committee

Date

ACCEPTED _____, 20__

ROCKY MOUNTAIN UNITED METHODIST FOUNDATION, INC.

A Colorado non-profit corporation on behalf of the Methodists Helping Methodists Fund

BY:_____

Executive Director

**CHURCH/AGENCY
SUBSCRIPTION AGREEMENT (TERM)**

This Subscription Agreement (the "Agreement") is made by and between the Rocky Mountain United Methodist Foundation, Inc., a Colorado non-profit corporation (the "Foundation"), administrator of the Rocky Mountain Conference Methodists Helping Methodists Fund (the "Fund"), and the undersigned prospective investor who is subscribing for Time Certificates of Participation (the "Time Certificates") in the Fund to be issued by the Foundation pursuant to the Offering Circular, as amended from time-to-time and including all exhibits and attachments thereto (collectively, the "Offering Circular").

The undersigned hereby irrevocably subscribes for and agrees to purchase Time Certificates in the principal amount indicated on the signature page hereof. Simultaneously with the execution of this Agreement, the undersigned is making the payment set forth on the signature page (the "Payment"), in the form of a check, money order, banker's draft or wire transfer made payable to or deposited into the account of the Methodists Helping Methodists Fund.

The undersigned hereby represents and warrants to the Foundation as follows:

- A) The Time Certificates are being purchased for the undersigned's own account for investment purposes only, not for the account of any other person and not with a view to distribution, assignment or resale to others.
- B) The undersigned has been furnished with and has carefully read the Offering Circular, including but not limited to the information disclosed under "Risk Factors." The undersigned is familiar with and understands the terms and condition of the Time Certificates, the terms of this Offering and the proposed activities of the Methodists Helping Methodists Fund (the "Fund"). The undersigned has been afforded the opportunity to discuss the Time Certificates and the proposed activities of the Fund with its representatives and to obtain all additional documents and information requested by the undersigned relating to the Time Certificates.
- C) The undersigned agrees to look only to those assets of the Fund for repayment of the principal amount of the Time Certificates and interest thereon. Such assets will consist solely of payment received by the Fund with respect to Mortgage Loans made by it, as well as the cash reserve that the Fund intends to maintain with respect to the Time Certificates, all as more fully described in the Offering Circular.
- D) With respect to tax and other financial considerations involved in this investment, the undersigned is not relying on any advice or opinions from the Foundation or any person acting on its behalf. The undersigned has carefully considered and has, to the extent the undersigned believes appropriate, discussed with legal, tax, accounting and financial advisors the suitability of an investment in the Time Certificates.
- E) The undersigned will indemnify and hold harmless the Foundation and any officer, employee, director, member, control person, agent or representative of the Foundation who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, by reason of or arising from any breach of the undersigned's warranties, covenants or agreements set forth herein against losses, liabilities and expenses for which any such indemnified person actually and reasonably incurred by the Foundation or such person in connection with such action, suit or proceeding.
- F) This Agreement shall be enforced, governed and construed in all respect accordance with the law of the State of Colorado, shall be binding upon the undersigned, the undersigned's heirs, estate, legal representatives, successors and assigns and shall inure to benefit of the Foundation, its successors and assigns.

G) Check below to indicate whether the CHURCH/AGENCY wishes to receive all interest payments in the form of:
_____A check: or_____ an increase in the principal amount of the account. (If no choice is indicated, interest will be added to principal. Elections may be changed by 30 days' written notice to the Fund.)

H) We wish to subscribe, as follows Time Certificate in the amount of \$_____ for the following period of time (check one):

_____ 12 months; _____ 24 months; _____ 36 months; _____ 48 months; _____ 60 months.

I) We understand that should we close our account before maturity, a penalty of 90 days' interest on the account balance or the amount withdrawn may be charged by the Fund.

DATED _____, 20__ .

AUTHORIZATION OF INVESTMENT

This certifies that the Administrative Board/Council of the _____ United Methodist Church, at

_____ (address,city,state, zip)

on this _____ day of _____, 200__, adopted the following Resolution:

"RESOLVED that members of the _____ Committee authorize that \$_____ be invested in a Certificate of Participation in the "Methodists Helping Methodists" Fund, issued by The Rocky Mountain Conference United Methodist Foundation, Inc.

Signed: _____	_____
Chair, Ad Board/Council	Date
_____	_____
Senior Pastor	Date
_____	_____
Church Treasurer	Date
_____	_____
Chair, _____ Committee	Date

ACCEPTED _____, 20____
ROCKY MOUNTAIN UNITED METHODIST FOUNDATION, INC.
A Colorado non-profit corporation
On behalf of the Rocky Mountain Methodists Helping Methodists Fund

BY: _____
Executive Director

APPENDIX C
Financial Information

THE ROCKY MOUNTAIN CONFERENCE
UNITED METHODIST FOUNDATION, INC.

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INDEPENDENT AUDITORS' REPORT

Board of Directors
The Rocky Mountain Conference
United Methodist Foundation, Inc.
Englewood, Colorado

We have audited the accompanying statements of financial position of The Rocky Mountain Conference United Methodist Foundation, Inc. as of December 31, 2009 and 2008, and the related statements of activities 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 audits 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 organization's internal control over financial reporting. Accordingly, we express no such opinion. An audit 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 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 The Rocky Mountain Conference United Methodist Foundation, Inc. as of December 31, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Capin Crouse LLP

Littleton, Colorado
June 8, 2010

**THE ROCKY MOUNTAIN CONFERENCE
UNITED METHODIST FOUNDATION, INC.**

Statements of Financial Position

	December 31,	
	2009	2008
ASSETS:		
Cash	\$ 23,147	\$ 30,590
Investments	134,195	142,105
Accounts receivable and other assets	15,867	17,620
Gift annuity assets	244,626	253,536
Assets held for churches	14,101,713	13,210,306
MHM investments	4,274,231	4,322,633
Endowment assets	403,558	381,920
Total Assets	\$ 19,197,337	\$ 18,358,710
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable and accrued expenses	\$ 17,241	\$ 27,657
Assets held for churches	14,101,713	13,210,306
MHM Fund–investor amounts payable	4,194,627	4,284,060
Annuity liabilities	224,523	257,298
Due to beneficiaries	142,178	115,608
	18,680,282	17,894,929
Net assets:		
Unrestricted		
Operating	96,484	70,070
Board designated: MHM quasi-endowment	16,827	13,321
	113,311	83,391
Temporarily restricted	42,530	20,126
Permanently restricted	361,214	360,264
	517,055	463,781
Total Liabilities and Net Assets	\$ 19,197,337	\$ 18,358,710

See notes to financial statements

Statements of Activities

Year Ended December 31,

	2009				2008			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT AND REVENUE:								
Contributions and principal additions	\$ 9,517	\$ -	\$ 950	\$ 10,467	\$ 22,264	\$ 1,449	\$ 2,550	\$ 26,263
Contributions from conference	10,320	-	-	10,320	9,918	-	-	9,918
Management fee income	70,455	-	-	70,455	82,088	-	-	82,088
MHM Fund income	215,916	-	-	215,916	236,501	-	-	236,501
Interest and dividends	19,131	5,658	-	24,789	17,805	6,438	-	24,243
Net realized and unrealized gains (losses)	14,830	19,587	-	34,417	(58,661)	(9,346)	-	(68,007)
Change in value of annuities	(24,623)	-	-	(24,623)	8,902	-	-	8,902
Total Support and Revenue	315,546	25,245	950	341,741	318,817	(1,459)	2,550	319,908
NET ASSETS RELEASED:								
Purpose restrictions	2,841	(2,841)	-	-	5,339	(5,339)	-	-
EXPENSES:								
Program services:								
Foundation	85,529	-	-	85,529	68,457	-	-	68,457
MHM Fund	116,106	-	-	116,106	186,470	-	-	186,470
	201,635	-	-	201,635	254,927	-	-	254,927
General and administration								
	86,832	-	-	86,832	85,404	-	-	85,404
Total Expenses	288,467	-	-	288,467	340,331	-	-	340,331
Change in Net Assets	29,920	22,404	950	53,274	(16,175)	(6,798)	2,550	(20,423)
Net Assets, Beginning of Year	83,391	20,126	360,264	463,781	99,566	26,924	357,714	484,204
Net Assets, End of Year	\$ 113,311	\$ 42,530	\$ 361,214	\$ 517,055	\$ 83,391	\$ 20,126	\$ 360,264	\$ 463,781

See notes to financial statements

**THE ROCKY MOUNTAIN CONFERENCE
UNITED METHODIST FOUNDATION, INC.**

Statements of Cash Flows

	Year Ended December 31,	
	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 53,274	\$ (20,423)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Change in value of annuities	24,623	(8,902)
Gift portion of gift annuities	-	(1,863)
Net realized and unrealized (gains) losses	(34,417)	64,128
Change in accounts receivable and other assets	1,753	608
Change in accounts payable and accrued expenses	(10,416)	(5,990)
Net Cash Provided by Operating Activities	34,817	27,558
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of cash and money market funds—attributable to the MHM Fund	(195,406)	(422,061)
Proceeds from sale of investments	43,798	25,693
Purchases of investments	(5,299)	(45,746)
Issuance of notes receivable	(263,052)	(697,593)
Collections on notes receivable	506,860	603,780
Net Cash Provided (Used) by Investing Activities	86,901	(535,927)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Change in MHM Fund—investor amounts payable	(89,433)	530,111
Payments on charitable gift annuities	(39,728)	(41,233)
Proceeds from issuance of gift annuities	-	27,389
Net Cash Provided (Used) by Financing Activities	(129,161)	516,267
Change in Cash	(7,443)	7,898
Cash, Beginning of Year	30,590	22,692
Cash, End of Year	\$ 23,147	\$ 30,590

See notes to financial statements

THE ROCKY MOUNTAIN CONFERENCE UNITED METHODIST FOUNDATION, INC.

Notes to Financial Statements

December 31, 2009 and 2008

1. NATURE OF ORGANIZATION:

The Rocky Mountain Conference United Methodist Foundation, Inc. (the Foundation) was established by the Annual Conference of the Rocky Mountain Conference (the Conference) in 1987, as recommended in paragraph 2513 in the 2008 Book of Discipline of the United Methodist Church for the purpose of enhancing the ministries of United Methodist churches and related agencies by providing services that help strengthen its fiscal base and promote faithful financial stewardship from members.

The Foundation serves United Methodist churches and agencies in the following ways:

- Helping establish and promoting an endowment program.
- Offering four investment funds to suit various financial objectives while meeting the social principles of the United Methodist Church.
- Providing loans to churches and agencies for capital improvement needs.

The Foundation serves individual United Methodists by:

- Offering a stable investment opportunity in the “Methodists Helping Methodists” (MHM) Fund.
- Assisting in exploring a giving plan that will protect and provide for themselves and their families' future while also remembering their church or other United Methodist ministries.

The MHM Fund is a church capital improvement loan fund administered by the Foundation since 1997. The MHM Fund consists of cash, investments, and loans outstanding to area churches. It is funded by interest bearing investor depository accounts. While the assets in the fund are temporarily restricted to provide financing for area churches, the net earnings of the funds are available for general Foundation use.

The Foundation is operated as a nonprofit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the “Code”) and is not a private foundation under Section 509(a) of the Code. The Foundation's primary sources of funding are management fees charged for handling investments as well as interest income from the MHM Fund.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Foundation uses estimates and assumptions in preparing the financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of any contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were assumed in preparing the financial statements. The significant accounting policies followed are described below to enhance the usefulness to the reader.

CASH

Cash consists of a checking account.

**THE ROCKY MOUNTAIN CONFERENCE
UNITED METHODIST FOUNDATION, INC.**

Notes to Financial Statements

December 31, 2009 and 2008

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

INVESTMENTS

Investments in equity securities with readily determinable fair values and all debt securities are reported at fair value based on quoted market prices. Gains and losses are recorded when incurred in the statements of activities. Donated investments are recorded at the estimated fair market value on the date of the gift.

CHARITABLE GIFT ANNUITIES

The Foundation has entered into charitable gift annuities which require annuity payments to be made to designated beneficiaries for the remainder of their lives. The assets contributed were valued at fair market value as of the date of the gift. In each case, a liability for future annuity payments was established using discount rates and actuarial assumptions established by the American Council for Gift Annuities for determining the amount of charitable donation allowed. The residual payable to others is included in the liability due to beneficiaries on the statements of financial position. The residual payable to the Foundation is treated as a restricted gift at the time of the contribution based on the donor's stipulated restrictions for the use of the residual value. Annually, the liability accounts are reduced by payments made to the life beneficiary and adjusted for changes in the actuarially computed present value of the remaining life of the annuitant.

CLASSES OF NET ASSETS

The financial statements report amounts by class of net assets:

Unrestricted net assets are those currently available for operating purposes under the direction of the board.

Temporarily restricted net assets are those provided by gift annuities with specified purposes, irrevocable charitable trusts, and scholarships.

Permanently restricted net assets include endowment funds held by the Foundation.

The management of the Foundation has interpreted the Colorado Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanent restricted net assets (a) the original value of the gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment. This will then have the permanently restricted net asset reflect the historical cost value of the endowment. All gains will be added to the temporarily restricted net assets until which time a determination is made as to its disposition. If there are capital losses those losses will go first against the temporarily restricted endowment funds and then be recorded in the unrestricted net asset category. All future gains will go first to cover those losses before returning to the temporarily restricted net asset category.

**THE ROCKY MOUNTAIN CONFERENCE
UNITED METHODIST FOUNDATION, INC.**

Notes to Financial Statements

December 31, 2009 and 2008

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

SUPPORT AND REVENUE

Contributions are recorded when made, which may be when cash or other assets are received or unconditionally promised. Upon satisfaction of the time restriction, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. Donated assets are recorded at their fair market value on the date of donation.

Management fee income and MHM Fund income are recorded when the income is earned. These amounts are related to performing investment services for, or lending money to, churches or other United Methodist entities within the Conference.

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various program services and supporting activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the program services and supporting activities benefited.

RECENTLY ISSUED ACCOUNTING STANDARDS

On January 1, 2009, the Foundation 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 financial position 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 expenses in the statement of activities. As of December 31, 2009, the Foundation had no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

RECLASSIFICATIONS

Certain prior year amounts have been reclassified to conform with current year presentation.

**THE ROCKY MOUNTAIN CONFERENCE
UNITED METHODIST FOUNDATION, INC.**

Notes to Financial Statements

December 31, 2009 and 2008

3. INVESTMENTS:

Investments, excluding those administered as part of the MHM Fund or held as gift annuity assets, consist of:

	December 31,	
	2009	2008
Common stock	\$ 18,208	\$ 14,671
Short-term cash funds	49,424	63,550
Insurance investments—cash surrender values	66,563	63,884
	\$ 134,195	\$ 142,105

4. GIFT ANNUITY ASSETS:

Gift annuity assets consist of:

	December 31,	
	2009	2008
Fixed income securities	\$ 132,441	\$ 146,356
Common stock	99,602	94,837
Short-term cash funds	12,583	12,343
	\$ 244,626	\$ 253,536

5. ASSETS HELD FOR CHURCHES:

The Foundation manages separate investment funds for the benefit of churches and church agencies of the Rocky Mountain and Yellowstone Annual Conference. Three funds are maintained to meet the different risk and income needs of the churches. These funds are subject to withdrawal. Withdrawals are either a specified amount, a percentage of account balances, or per specific requests from the churches. A management fee is collected as stipulated in the investment agreements and recognized as fee income in the statements of activities.

**THE ROCKY MOUNTAIN CONFERENCE
UNITED METHODIST FOUNDATION, INC.**

Notes to Financial Statements

December 31, 2009 and 2008

5. ASSETS HELD FOR CHURCHES, continued:

Funds held for churches consist of:

	December 31,	
	2009	2008
Fixed income securities	\$ 8,250,854	\$ 8,215,557
Common stock	4,273,665	3,552,212
Short-term cash funds	1,577,196	1,442,537
	\$ 14,101,715	\$ 13,210,306

Investment income attributed to funds held for churches not reflected in the statements of activities:

	Year Ended December 31,	
	2009	2008
Net realized and unrealized gains (losses)	\$ 1,093,595	\$ (1,967,967)
Interest and dividends	\$ 444,454	\$ 513,250

Cash flows from investing activities attributed to funds held for churches not reflected in the statements of cash flows:

	Year Ended December 31,	
	2009	2008
Purchases of investments	\$ (584,744)	\$ (765,426)
Proceeds from sales of investments	\$ 1,191,360	\$ 1,127,037

6. ENDOWMENTS:

The Foundation's endowments include both donor-restricted endowment funds and funds designated by management to function as endowments. As required by GAAP, net assets associated with endowment funds, including funds designated by management to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

**THE ROCKY MOUNTAIN CONFERENCE
UNITED METHODIST FOUNDATION, INC.**

Notes to Financial Statements

December 31, 2009 and 2008

6. ENDOWMENTS, continued:

Changes in endowment net assets for the year ended December 31, 2009:

	Unrestricted Board Designated	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ 13,321	\$ 8,335	\$ 360,264	\$ 381,920
Investment income	1,777	17,182	-	18,959
Contributions	1,729	-	950	2,679
Released from restrictions	-	-	-	-
Endowment net assets, end of year	<u>\$ 16,827</u>	<u>\$ 25,517</u>	<u>\$ 361,214</u>	<u>\$ 403,558</u>

Changes in endowment net assets for the year ended December 31, 2008:

	Unrestricted Board Designated	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ 9,917	\$ 2,638	\$ 357,714	\$ 370,269
Investment income	3,404	10,306	-	13,710
Contributions	-	-	2,550	2,550
Released from restrictions	-	(4,609)	-	(4,609)
Endowment net assets, end of year	<u>\$ 13,321</u>	<u>\$ 8,335</u>	<u>\$ 360,264</u>	<u>\$ 381,920</u>

7. MHM FUNDS:

The Foundation administers the MHM Fund for the purpose of providing loans to credit-worthy United Methodist churches of the Rocky Mountain and Yellowstone Annual Conferences for building and improvement projects. Certificates of participation are offered to United Methodist investors to generate principal funds to be loaned to United Methodist churches.

The MHM Fund intends to use approximately 90% of the proceeds of the certificates offered to fund mortgage loans. The remaining 10% of the proceeds will be held in the Reserve Fund and not loaned. The Reserve Fund will be invested in cash, money market funds, certificates of deposit, U.S. Government Obligations, and U.S. Government Agencies in accordance with the investment policies and guidelines adopted by the MHM Fund.

**THE ROCKY MOUNTAIN CONFERENCE
UNITED METHODIST FOUNDATION, INC.**

Notes to Financial Statements

December 31, 2009 and 2008

7. MHM FUNDS, continued:
MHM investments consist of:

	December 31,	
	2009	2008
Mortgages receivable	\$ 2,602,473	\$ 2,850,584
Cash and short-term repurchase agreements	1,340,427	1,562,019
Short-term fixed income funds	425,000	-
	4,367,900	4,412,603
Less MHM endowment assets	(93,669)	(89,970)
	\$ 4,274,231	\$ 4,322,633

MHM mortgages receivable:

The mortgages receivable are issued to United Methodist churches of the Rocky Mountain and Yellowstone Annual Conferences and secured by the property for which the mortgage was obtained. All are current and the Foundation has not experienced any losses on these mortgages receivable. Therefore, no allowance for uncollectible amounts is recorded. Interest income from mortgages receivable is recorded when earned and was \$180,288 and \$170,051, for the years ended December 31, 2009 and 2008, respectively. The interest income is included in MHM Fund income on the statements of activities.

MHM certificates of participation:

The MHM program offers interest bearing investment certificates of participation to United Methodist investors. These investor funds are used to provide loans to qualified churches for building and improvement projects. The certificates are unsecured obligations of the MHM Fund. Other assets or revenues of the Foundation will not be available to pay principal and interest on the certificates. Interest expense related to certificates of participation of the MHM Fund was \$114,774 and \$184,310, for the years ended December 31, 2009 and 2008, respectively, and is included in program services in the statements of activities.

**THE ROCKY MOUNTAIN CONFERENCE
UNITED METHODIST FOUNDATION, INC.**

Notes to Financial Statements

December 31, 2009 and 2008

7. MHM FUNDS, continued:

Scheduled maturities of certificates of participation are:

	December 31,	
	2009	2008
Interest rates as of December 31, 2009:		
Demand accounts, 0.50%	\$ 131,546	\$ 158,466
One year, less than \$10,000, 1.85%	93,235	226,322
One year, more than \$10,000, 2.00%	3,164,433	3,756,778
Two years, less than \$10,000, 2.10%	26,318	-
Two years, more than \$10,000, 2.25%	313,117	95,372
Three years, less than \$10,000, 2.10%	5,144	-
Three years, more than \$10,000, 2.25%	129,178	20,395
Four years, less than \$10,000, 2.60%	5,000	-
Four years, more than \$10,000, 2.75%	193,289	-
Five years, more than \$10,000, 3.0%	133,367	26,727
	\$ 4,194,627	\$ 4,284,060

8. TEMPORARILY RESTRICTED NET ASSETS:

Temporarily restricted net assets consist of:

	December 31,	
	2009	2008
Gift annuity net assets with specified purposes	\$ 14,681	\$ 9,657
Endowment—scholarships	25,517	8,335
Irrevocable trusts	2,332	2,134
	\$ 42,530	\$ 20,126

**THE ROCKY MOUNTAIN CONFERENCE
UNITED METHODIST FOUNDATION, INC.**

Notes to Financial Statements

December 31, 2009 and 2008

9. PERMANENTLY RESTRICTED NET ASSETS:

Permanently restricted net assets consist of:

	December 31,	
	2009	2008
Endowment funds with income available to the Foundation	\$ 136,761	\$ 136,011
Pooled income funds with restricted and unrestricted income requirements	117,869	117,869
Scholarship endowments	50,152	49,952
Endowments with income to churches, the Conference, or other charities	45,432	45,432
MHM Fund with income for church loans	11,000	11,000
	\$ 361,214	\$ 360,264

10. LINE OF CREDIT:

The Foundation has a \$500,000 line of credit with a local financial institution to provide liquidity if necessary for the MHM loan fund. The line, if used, will bear interest at the bank's index rate. No draws have been made on this line. The maturity date of the agreement is September 30, 2010.

11. RELATED PARTY TRANSACTIONS:

The Foundation is structured to serve the Conference and related entities within the United Methodist denomination. Therefore, the loan transactions that take place related to the MHM Fund are related party transactions. The funds held for churches and management fee income on the funds are also related party in nature. No other items were noted that had related party implications.

12. OPERATING LEASE:

The Foundation leases office space. Total rent expense paid for the years ended December 31, 2009 and 2008, amounted to \$13,808 and \$13,559, respectively. Future minimum lease payments required under the operating lease are \$9,392 for the year ending December 31, 2010.

**THE ROCKY MOUNTAIN CONFERENCE
UNITED METHODIST FOUNDATION, INC.**

Notes to Financial Statements

December 31, 2009 and 2008

13. FAIR VALUE MEASUREMENTS:

The Fair Value Topic of the FASB ASC defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Fair Value Topic of the FASB ASC also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

Following is a description of the valuation methodologies the Foundation uses for instruments measured at fair value on a recurring basis and recognized in the accompanying statement of financial position, as well as the general classification of such instruments pursuant to the valuation hierarchy.

Level 1

Quoted prices in active markets for identical assets or liabilities.

Level 2

Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3

Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the valuation hierarchy in which the fair value measurements fall at December 31, 2009:

	<u>Fair Value Measurements Using:</u>		Fair Value
	<u>Level 1</u>	<u>Level 2</u>	
Investments	\$ 67,632	\$ 66,563	\$ 134,195
Gift annuity assets	244,626	-	244,626
Funds held for churches—net of cash and cash equivalents	12,326,886	1,502,760	13,829,646
MHM investment assets—net of cash and cash equivalents	-	425,000	425,000
Endowment assets	403,558	-	403,558
	<u>\$ 13,042,702</u>	<u>\$ 1,994,323</u>	<u>\$ 15,037,025</u>

**THE ROCKY MOUNTAIN CONFERENCE
UNITED METHODIST FOUNDATION, INC.**

Notes to Financial Statements

December 31, 2009 and 2008

13. FAIR VALUE MEASUREMENTS, continued:

Fair values as of December 31, 2008 are:

	Fair Value Measurements Using:		Fair Value
	Level 1	Level 2	
Investments	\$ 78,221	\$ 63,884	\$ 142,105
Gift annuity assets	253,536	-	253,536
Funds held for churches—net of cash and cash equivalents	11,769,773	-	11,769,773
MHM investment assets—net of cash and cash equivalents	-	-	-
Endowment assets	381,920	-	381,920
	\$ 12,483,450	\$ 63,884	\$ 12,547,334

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include mutual funds, fixed income bonds and equities. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics or discounted cash flows. The cash surrender value of the life insurance policies held by the Foundation is valued based on the fair value of the Foundation's share of the cash surrender value of the respective life insurance company policy as represented by the insurance company. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified with Level 3. The Foundation did not have any investments valued with Level 3 inputs as of or for the years ended December 31, 2009 and 2008.

14. 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.