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INDEPENDENT AUDITOR'S REPORT

Board of Directors
St. Marys United Methodist Church Foundation, Inc.
St. Marys, Georgia

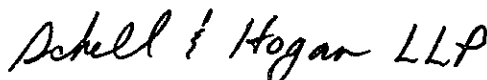
We have audited the accompanying statements of financial position of St. Marys United Methodist Church Foundation, Inc. (a nonprofit organization) as of December 31, 2009 and 2008 and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of St. Marys United Methodist Church Foundation, Inc.'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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our 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 St. Marys United Methodist Church 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.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of St. Marys United Methodist Church Foundation, Inc. taken as a whole. The schedule of expenses-budget basis is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

SHELL & HOGAN, LLP



Certified Public Accountants

March 22, 2010
Brunswick, Georgia

ST. MARYS UNITED METHODIST CHURCH FOUNDATION, INC.

STATEMENTS OF FINANCIAL POSITION

December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
<u>ASSETS</u>		
Current Assets		
Cash and cash equivalents	\$ 971,408	\$ 791,494
Investments	32,766,541	27,660,558
Accrued interest and dividends	1,612	6,163
Prepaid expenses	2,615	2,615
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Total Current Assets	33,742,176	28,460,830
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Fixed Assets		
Furniture and fixtures	6,501	6,501
Equipment	15,282	15,282
Leasehold improvements	24,622	24,622
Accumulated depreciation	(29,581)	(27,940)
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Total Fixed Assets, net	16,824	18,465
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Other Assets		
Organizational costs	3,552	3,552
Accumulated amortization	(2,132)	(1,895)
Security deposit	1,050	1,050
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Total Other Assets	2,470	2,707
	<hr/>	<hr/>
TOTAL ASSETS	\$ 33,761,470	\$ 28,482,002
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<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities		
Accounts payable	\$ 169	\$ 194
Accrued expenses	1,443	5,222
Grants payable	671,000	1,061,000
	<hr/>	<hr/>
Total Current Liabilities	672,612	1,066,416
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Long Term Liabilities		
Grants payable	-	511,000
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Total Liabilities	672,612	1,577,416
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Net Assets		
Unrestricted		
Operating	32,778,558	26,704,586
Board designated	310,300	200,000
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Total Net Assets	33,088,858	26,904,586
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TOTAL LIABILITIES AND NET ASSETS	\$ 33,761,470	\$ 28,482,002
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The accompanying notes are an integral part of these financial statements.

ST. MARYS UNITED METHODIST CHURCH FOUNDATION, INC.

STATEMENTS OF ACTIVITIES

For the Years Ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
<u>UNRESTRICTED NET ASSETS</u>		
Revenues and Support		
Interest and dividends	\$ 554,867	\$ 969,527
Net realized and unrealized gain (loss) on securities	6,981,085	(15,855,039)
Total Revenues and Support	<u>7,535,952</u>	<u>(14,885,512)</u>
Expenses		
Program Services		
Grants processing	1,129,266	1,420,021
Total Program Services	<u>1,129,266</u>	<u>1,420,021</u>
Supporting Services		
Management and general	72,778	72,333
Investment administration costs	149,636	171,343
Total Supporting Services	<u>222,414</u>	<u>243,676</u>
Total Expenses	<u>1,351,680</u>	<u>1,663,697</u>
Change in Net Assets	6,184,272	(16,549,209)
Net Assets, beginning of year	<u>26,904,586</u>	<u>43,453,795</u>
Net Assets, end of year	<u>\$ 33,088,858</u>	<u>\$ 26,904,586</u>

The accompanying notes are an integral part of these financial statements.