

Municipal Secondary Market Disclosure Information Cover Sheet

This cover sheet should be sent with all submissions made to the Municipal Securities Rulemaking Board, Nationally Recognized Municipal Securities Information Repositories, and any applicable State Information Depository, whether the filing is voluntary or made pursuant to Securities and Exchange Commission rule 15c2-12 or any analogous state statute.

See www.sec.gov/info/municipal/nrmsir.htm for list of current NRMSIRs and SIDs

IF THIS FILING RELATES TO A SINGLE BOND ISSUE:

Provide name of bond issue exactly as it appears on the cover of the Official Statement
(please include name of state where issuer is located):

\$22,980,000

The Economic Development Corporation of the Village of Chelsea (Michigan)

Revenue and Revenue Refunding Bonds, Series 1998

United Methodist Retirement Communities, Inc.

Provide nine-digit CUSIP* numbers if available, to which the information relates:

163347AU1

163347AV9

163347AW7

163347AX5

163347AY3

163347AZ0

163347BA4

163347BB2

163347BC0

163347BD8

163347BE6

163347BF3

163347BG1

IF THIS FILING RELATES TO ALL SECURITIES ISSUED BY THE ISSUER OR ALL SECURITIES OF A SPECIFIC CREDIT OR ISSUED UNDER A SINGLE INDENTURE:

Issuer's Name (please include name of state where Issuer is located): _____

Other Obligated Person's Name (if any): _____
(Exactly as it appears on the Official Statement Cover)

Provide six-digit CUSIP* number(s), if available, of Issuer: _____

*(Contact CUSIP's Municipal Disclosure Assistance Line at 212.438.6518 for assistance with obtaining the proper CUSIP numbers.)

TYPE OF FILING:

Electronic (number of pages attached) 34 Paper (number of pages attached) _____

If information is also available on the Internet, give URL: www.firstriver.com

WHAT TYPE OF INFORMATION ARE YOU PROVIDING? (Check all that apply)

A. Annual Financial Information and Operating Data pursuant to Rule 15c2-12
(Financial information and operating data should not be filed with the MSRB.)

Fiscal Period Covered: January 1 – December 31, 2002 (FY2002)

B. Audited Financial Statements or CAFR pursuant to Rule 15c2-12

Fiscal Period Covered: _____

C. Notice of a Material Event pursuant to Rule 15c2-12 (Check as appropriate)

- | | |
|--|--|
| 1. <input type="checkbox"/> Principal and interest payment delinquencies | 6. <input type="checkbox"/> Adverse tax opinions or events affecting the tax-exempt status of the security |
| 2. <input type="checkbox"/> Non-payment related defaults | 7. <input type="checkbox"/> Modifications to the rights of security holders |
| 3. <input type="checkbox"/> Unscheduled draws on debt service reserves reflecting financial difficulties | 8. <input type="checkbox"/> Bond calls |
| 4. <input type="checkbox"/> Unscheduled draws on credit enhancements reflecting financial difficulties | 9. <input type="checkbox"/> Defeasances |
| 5. <input type="checkbox"/> Substitution of credit or liquidity providers, or their failure to perform | 10. <input type="checkbox"/> Release, substitution, or sale of property securing repayment of the securities |
| | 11. <input type="checkbox"/> Rating changes |

D. Notice of Failure to Provide Annual Financial Information as Required

E. Quarterly or Monthly Financial Information and Operating Data
(Financial information and operating data should not be filed with the MSRB.)

Period Covered: _____

F. Other Secondary Market Information (Specify): _____

I hereby represent that I am authorized by the issuer or obligor or its agent to distribute this information publicly:

Issuer Contact:

Name _____ Title _____
Employer _____
Address _____ City _____ State _____ Zip Code _____
Telephone _____ Fax _____
Email Address _____ Issuer Web Site Address _____

Dissemination Agent Contact, if any:

Name Shelley J. Aronson Title President
Employer First River Advisory L.L.C.
Address 2640 Override Drive City Ann Arbor State MI Zip Code 48104
Telephone (734) 761-3624 Fax (734) 761-3614
Email Address aronson@firstriver.com Relationship to Issuer Dissemination Agent

Obligor Contact, if any:

Name Donald C. House, Jr Title Senior Vice President and Chief Financial Officer
Employer United Methodist Retirement Communities, Inc.
Address 809 West Middle Street City Chelsea State MI Zip Code 48118
Telephone (734) 433-1000, ext 320 Fax (734) 475-5820
Email Address don@umrc.com Obligor Web Site Address _____

Investor Relations Contact, if any:

Name _____ Title _____
Telephone _____ Email Address _____

**UNITED METHODIST RETIREMENT COMMUNITIES, INC.
809 WEST MIDDLE STREET
CHELSEA, MI 48118**

OFFICER'S CERTIFICATE

DATED: May 23, 2002

This Officer's Certificate is delivered pursuant to Section 5.6(b)(i) of the Loan Agreement between United Methodist Retirement Communities, Inc. (the Corporation) and The Economic Development Corporation of the Village of Chelsea (the Issuer), dated as of April 1, 1998. All capitalized terms used herein are as defined in the Loan Agreement or in the Trust Indenture between the Issuer and U.S. Bank Trust National Association, as Trustee, dated as of April 1, 1998.

In accordance with Section 5.6(a)(i) of the Loan Agreement, attached are audited financial statements for the Fiscal Year ended December 31, 2002, including a balance sheet as of such date, a statement of activities and changes in Net Assets for such Fiscal Year, a statement of cash flows for the Fiscal Year, and notes to the financial statements (the Annual Financial Statements). The undersigned certifies that:

1. I am a Vice President of the Corporation and duly authorized to deliver this Officer's Certificate;
2. the Corporation has complied with Section 506(b)(i) of the Loan Agreement, for to the best of my knowledge, no Event of Default exists under the Loan Agreement, nor has any event occurred which, with notice and/or passage of time, would constitute such an Event of Default; and
3. the Corporation has complied with Section 501(a)(ii) of the Loan Agreement by having recorded a Debt Service Coverage Ratio for FY2002 of 2.26, as calculated in the following manner:

<i>Debt Service Coverage Ratio Calculation for the Fiscal Year Ended December 31, 2002</i>	
Increase in Unrestricted Net Assets	198,677
Plus: Unrealized Losses on Investments	1,622,994
Plus: Extraordinary Items	0
Plus: Interest	967,040
Plus: Depreciation	1,637,068
Net Income Available for Debt Service	4,425,779
Debt Service Requirements for FY2002	1,962,150
Debt Service Coverage Ratio	2.26

by: Donald C. House, Jr.
Senior Vice President and Chief Financial Officer

UNITED METHODIST RETIREMENT COMMUNITIES, INC.

ANNUAL REPORT FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002 (FY2002)

Unless otherwise noted, all data apply to the Fiscal Year Ended December 31, 2002, or are accurate as of December 31, 2002, as appropriate. OS pages refer to the Official Statement relating to the Securities, dated April 8, 1998. The source of all data is the Corporation's records.

SERVICE VOLUMES AND UTILIZATION

<i>Occupancy Rates</i> <i>[OS Page A-11]</i>						
<i>Facility / Location</i>		<i>Fiscal Years Ended December 31</i>				
		<i>2002</i>	<i>2001</i>	<i>2000</i>	<i>1999</i>	<i>1998</i>
ILF	CRC	97.0%	97.4%	98.9%	98.9%	98.9%
	BT	N/A	N/A	N/A	N/A	N/A
ALF	CRC	87.8%	87.5%	92.7%	93.0%	95.4%
	BT	N/A	N/A	N/A	N/A	N/A
RDF	CRC	96.3%	89.3%	70.5%	97.5%	98.2%
	BT	N/A	N/A	N/A	N/A	N/A
SNF	CRC	90.6%	87.6%	99.0%	98.8%	98.9%
	BT	87.4%	79.9%	90.1%	98.0%	98.1%

Note: Shaded cells relate to discontinued operations at BT.

MUNICIPAL SECONDARY MARKET DISCLOSURE
The Economic Development Corporation of the Village of Chelsea /
United Methodist Retirement Communities, Inc.
Fiscal Year Ended December 31, 2002
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<i>Waiting Lists, Active Prospective Residents Only</i>						
<i>(CRC Only)</i>						
<i>[OS Page 12]</i>						
		<i>At December 31</i>				
		<i>2002</i>	<i>2001</i>	<i>2000</i>	<i>1999</i>	<i>1998</i>
ILF	Units	100	100	100	100	100
	Waiting List	24	22	89	80	71
ALF	Units	120	120	92	92	92
	Waiting List	6	12	5	25	21
RDF	Beds	72	72	60	28	28
	Waiting List	15	8	20	34	11
SNF	Beds	85	85	77	110	110
	Waiting List	2	2	20	32	15

<i>ILF Turnover Rates</i>					
<i>(CRC Only)</i>					
<i>[OS Page A-13]</i>					
	<i>Fiscal Years Ended December 31</i>				
	<i>2002</i>	<i>2001</i>	<i>2000</i>	<i>1999</i>	<i>1998</i>
ILF Units	100	100	100	100	100
Reoccupied ILF Units	21	16	10	16	19
Turnover Rate (Annualized)	21%	16%	10%	16%	19%

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FINANCIAL INFORMATION

<i>Medicaid SNF Reimbursement Rates, 2003</i> <i>[OS Page A-22]</i>		
	<i>CRC</i>	<i>BT</i>
Variable Cost Component	\$122.56	\$122.56
Plant Cost Component	10.24	7.03
Continuous Quality Improvement Incentive	12.61	12.61
Wage Pass-through Add-on	0.00	0.00
OBRA Training & Testing Add-on	0.80	0.00
Medicaid Reimbursement Rate	\$146.21	\$142.20

<i>Variable Cost Component Limits</i> <i>[OS Page A-22]</i>		
<i>Year</i>	<i>Limit</i>	<i>Percent Increase over Previous Year</i>
2003	\$122.56	2.0%
2002	\$120.12	0.6%
2001	\$119.40	17.3%
2000	\$101.75	5.8%
1999	\$96.19	3.6%
1998	\$92.83	9.4%

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<i>SNF Revenue Basis, 2003</i> <i>[OS Page A-23]</i>		
	<i>CRC</i>	<i>BT</i>
Charge for Semi-Private Room	\$188.00	\$160.00
Medicaid Reimbursement Rate	\$146.21	\$142.20
Discount from Semi-Private Room Charge	22.2%	11.1%

<i>SNF Payor Mix</i> <i>(expressed as percentages of resident-days)</i> <i>[OS Page A-24]</i>						
		<i>Fiscal Years Ended December 31</i>				
		<i>2002</i>	<i>2001</i>	<i>2000</i>	<i>1999</i>	<i>1998</i>
<i>CRC</i>	Medicare	19.1%	15.8%	6.6%	4.7%	3.6%
	Medicaid	27.1%	27.8%	28.0%	27.6%	25.5%
	Commercial	2.2%	1.4%	0.0%	0.0%	0.0%
	Private	51.6%	55.0%	65.4%	67.7%	70.9%
<i>BT</i>	Medicare	28.8%	24.1%	16.1%	8.8%	11.8%
	Medicaid	60.8%	64.5%	67.7%	74.1%	71.5%
	Commercial	4.5%	2.1%	1.8%	1.0%	0.8%
	Private	5.9%	9.3%	14.4%	16.1%	15.9%
<i>Composite</i>	Medicare	24.8%	20.5%	11.8%	6.9%	7.9%
	Medicaid	46.8%	48.8%	49.7%	52.1%	49.8%
	Commercial	3.5%	1.8%	1.0%	0.5%	0.4%
	Private	24.9%	28.9%	37.5%	40.5%	41.9%

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<i>Balance Sheet Summary</i>					
<i>(\$000s omitted)</i>					
<i>[OS Page A-26]</i>					
	<i>As of December 31</i>				
	<i>2002</i>	<i>2001</i>	<i>2000</i>	<i>1999</i>	<i>1998</i>
Cash, Cash Equivalents and Investments	17,794	17,774	19,102	19,370	17,442
Contributions Receivable	585	709	733	1,013	357
Net Accounts Receivable	2,254	2,349	1,225	1,294	1,636
Other Current Assets	<u>909</u>	<u>784</u>	<u>822</u>	<u>3,696</u>	<u>352</u>
Total Current Assets	21,542	21,616	21,882	25,373	19,787
Non-Current Investments	1,085	838	632	559	506
Contributions Receivable	89	328	897	862	1,079
Van Dusen Endowment Fund	1,867	2,213	2,450	2,607	2,522
Net Property and Equipment	32,196	33,058	34,525	32,297	24,259
Other Assets	<u>2,963</u>	<u>2,882</u>	<u>2,917</u>	<u>2,831</u>	<u>13,695</u>
Total	59,742	60,935	63,303	64,529	61,848
Current Liabilities	3,454	3,516	3,438	3,471	2,643
Long-Term Obligations	18,485	19,430	20,335	21,205	21,880
Other Liabilities	395	1,025	767	687	442
Unrestricted Net Assets	33,748	33,549	35,629	32,688	32,285
Restricted Net Assets	<u>3,660</u>	<u>3,415</u>	<u>3,134</u>	<u>6,478</u>	<u>4,598</u>
Total	59,742	60,935	63,303	64,529	61,848
Certain FY2000 and FY1999 entries have been changed to conform to the presentation in the FY2001 and FY2000 audited financial statements, respectively.					

MUNICIPAL SECONDARY MARKET DISCLOSURE
The Economic Development Corporation of the Village of Chelsea /
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<i>Summary of Statements of Activities</i> (<i>\$000s omitted</i>) (<i>OS Page A-27</i>)					
	<i>Fiscal Years Ended December 31</i>				
	<i>2002</i>	<i>2001</i>	<i>2000</i>	<i>1999</i>	<i>1998</i>
Net Resident Revenue	24,221	20,845	16,666	15,478	15,173
Other Operating Revenue	<u>222</u>	<u>209</u>	<u>227</u>	<u>2,288</u>	<u>2,059</u>
Total Operating Revenue	24,443	21,054	16,893	17,766	17,232
Depreciation Expense	1,637	1,761	1,460	1,200	1,181
Interest Expense	967	993	735	381	409
Other Operating Expenses	<u>21,575</u>	<u>20,329</u>	<u>18,161</u>	<u>17,818</u>	<u>15,640</u>
Total Operating Expenses	24,179	23,083	20,356	19,399	17,230
Operating Income - Before Other Operating Activities	264	(2,029)	(3,463)	(1,633)	2
Other Operating Activities	<u>596</u>	<u>1,466</u>	<u>3,374</u>	<u>2,111</u>	<u>1,791</u>
Operating Income (Loss)	861	(563)	(89)	478	1,793
Extraordinary Items	0	0	0	0	(466)
Unrealized Gain (Loss) on Investments	(1,623)	(1,914)	(1,990)	106	1,706
Other Changes in Unrestricted Net Assets	<u>961</u>	<u>397</u>	<u>5,020</u>	<u>(182)</u>	<u>(391)</u>
Increase (Decrease) in Unrestricted Net Assets	199	(2,080)	2,941	403	2,642
Increase (Decrease) in Temporarily Restricted Net Assets	302	480	(3,177)	1,757	1,591
Increase (Decrease) in Permanently Restricted Net Assets	<u>(57)</u>	<u>(199)</u>	<u>(167)</u>	<u>123</u>	<u>150</u>
Increase (Decrease) in Net Assets	<u>444</u>	<u>(1,799)</u>	<u>(403)</u>	<u>2,283</u>	<u>4,383</u>

MUNICIPAL SECONDARY MARKET DISCLOSURE
The Economic Development Corporation of the Village of Chelsea /
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<i>Summary of Statements of Activities, by Operating Unit, 2002, 2001 and 2000</i> <i>(\$000s omitted)</i> <i>[OS Page A-28]</i>						
	<i>Fiscal Years Ended December 31</i>					
	<i>2002</i>		<i>2001</i>		<i>2000</i>	
	<i>CRC</i>	<i>BT</i>	<i>CRC</i>	<i>BT</i>	<i>CRC</i>	<i>BT</i>
Net Resident Revenue	16,324	7,897	14,334	6,512	11,030	5,635
Other Operating Revenue	<u>51</u>	<u>171</u>	<u>47</u>	<u>162</u>	<u>88</u>	<u>140</u>
Total Operating Revenue	16,375	8,068	14,381	6,674	11,118	5,775
Depreciation Expense – Health Care Services	1,236	334	1,337	355	1,021	373
Interest Expense	967	0	993	0	735	0
Other Operating Expenses	<u>13,273</u>	<u>8,369</u>	<u>12,888</u>	<u>7,511</u>	<u>10,802</u>	<u>7,425</u>
Total Operating Expenses	15,476	8,703	15,218	7,866	12,558	7,798
Operating Income - Before Other Operating Activities	899	(635)	(837)	(1,192)	(1,440)	(2,023)
Note: UMRC's management of Huron Woods was discontinued prior to FY2000.						

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<i>Debt Service Coverage Ratio Calculations</i>					
<i>(\$000s omitted, except for Debt Service Coverage Ratios)</i>					
<i>[OS Page A-29]</i>					
	<i>Fiscal Years Ended December 31</i>				
	<i>2002</i>	<i>2001</i>	<i>2000</i>	<i>1999</i>	<i>1998</i>
Increase (Decrease) in Unrestricted Net Assets	199	(2,080)	2,941	403	2,642
Less: Unrealized Gains on Investments				(106)	(1,706)
Plus: Unrealized Losses on Investments	1,623	1,914	1,990		
Plus: Extraordinary Items	0	0	0	0	466
Plus: Depreciation	1,637	1,761	1,460	1,200	1,181
Plus: Interest	<u>967</u>	<u>993</u>	<u>735</u>	<u>381</u>	<u>409</u>
Net Income Available for Debt Service	4,426	2,588	7,126	1,878	2,992
Debt Service Requirements relating to Series 1998 Bonds	1,962	1,965	1,799	1,295	1,295
Debt Service Coverage Ratio	2.26	1.32	3.96	1.45	2.31
Rows entitled, "Maximum Annual Debt Service Requirements on the Prior Bonds" and "Historical Debt Service Coverage Ratios" are no longer meaningful now that UMRC's indebtedness relating to the Prior Bonds has been extinguished, and has been eliminated from this table.					

<i>Heritage Foundation Investments</i>								
<i>At December 31, 2002</i>								
<i>(\$000s omitted from Market Values)</i>								
<i>[replaces table on OS Page A-31]</i>								
	<i>Large-Cap Equity</i>	<i>Mid-Cap Equity</i>	<i>Small-Cap Equity</i>	<i>Int'l Equity</i>	<i>Fixed Income</i>	<i>Cash</i>	<i>Donated Equities</i>	<i>Market Value</i>
Target Allocation Range	25.0% to 45.0%	7.5% to 17.5%	7.5% to 17.5%	0.0% to 10.0%	25.0% to 45.0%	0.0% to 10.0%	N/A	
Market Value	\$4,408	\$1,552	\$1,511	\$629	\$4,774	\$9	\$1,318	\$14,202
Actual Allocation	31.0%	10.9%	10.6%	4.4%	33.6%	0.1%	9.3%	

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<i>Investment Performance</i> <i>[replaces table on OS Page A-32]</i>								
				<i>Annualized</i>				
	<i>Performance by</i>	<i>Quarter</i>	<i>1 Year</i>	<i>3 Year</i>	<i>5 Year</i>	<i>7 Year</i>	<i>Since Inception</i>	<i>Incep'n Date</i>
Composite	Composite	3.9%					7.4%	
	Benchmark 1	5.5%					8.4%	
Large-Cap Equity	Manager	6.5%					(5.2)%	6/95
	Benchmark 2	8.4%					(3.4)%	
Mid-Cap Equity	Growth Fund	1.2%					(5.3)%	8/02
	Benchmark 3	5.8%					(2.7)%	
	Benchmark 4	9.2%					0.5%	
Mid-Cap Equity	Value Manager	8.3%					(3.2)%	8/02
	Benchmark 5	5.8%					(2.7)%	
	Benchmark 6	7.1%					(3.7)%	
Small-Cap Equity	Growth Fund	(0.3)%					(8.4)%	8/02
	Benchmark 7	6.2%					(1.5)%	
	Benchmark 8	7.5%					(0.3)%	
Small-Cap Equity	Value Fund	1.7%					(8.1)%	8/02
	Benchmark 9	6.2%					(1.5)%	
	Benchmark 10	4.9%					(2.6)%	
Int'l Equity	Fund	4.3%					(8.3)%	8/02
	Benchmark 11	6.5%					(4.9)%	
Fixed Income	Fund	2.4%					3.6%	8/02
	Benchmark 12	1.6%					3.2%	

Manager refers to an investment manager; Fund refers to a mutual fund

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<i>Estimated Debt Service Requirements on the SMOC Bonds (\$000s omitted) [OS Page A-35]</i>			
<i>Year Ending June 1</i>	<i>Redemption Requirements</i>	<i>Interest, at 5.00% per annum</i>	<i>Debt Service Requirements</i>
2003	365	674	1,039
2004	385	674	1,059
2005	415	655	1,070
2006	445	634	1,079
2007	475	612	1,087
2008	505	588	1,093
2009	545	563	1,108
2010	580	536	1,116
2011	625	507	1,132
2012	665	476	1,141
2013	710	442	1,152
2014	760	407	1,167
2015	815	369	1,184
2016	870	328	1,198
2017	930	285	1,215
2018	995	238	1,233
2019	1,065	188	1,253
2020	1,140	135	1,275
2021	1,220	78	1,298

Note: The Corporation's partial guarantee of obligations under the bank letter of credit reimbursement agreement relating to the SMOC Bonds was released during FY2002. This table will not be presented in the future, unless such guarantee were to be restored.