

# 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](http://www.sec.gov/info/municipal/nrmsir.htm) for list of current NRMSIRs and SIDs

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**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:

163347BB2

163347BC0

163347BE6

163347BF3

163347BG1

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**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.)

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**TYPE OF FILING:**

Electronic (number of pages attached) 5  Paper (number of pages attached) \_\_\_\_\_

If information is also available on the Internet, give URL: [www.firstriver.com](http://www.firstriver.com)

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**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: \_\_\_\_\_

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: January – March 2010 (FY2010Q1)

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 I. Aronson Title President  
Employer First River Advisory I. 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](mailto:aronson@firstriver.com) Relationship to Issuer Dissemination Agent

**Obligor Contact, if any:**

Name Mark G. Royce, C.P.A. Title Chief Financial Officer  
Employer United Methodist Retirement Communities, Inc.  
Address 805 West Middle Street City Chelsea State MI Zip Code 48118  
Telephone (734) 433-1000, ext 418 Fax (734) 475-5820  
Email Address [mroyce@umrc.com](mailto:mroyce@umrc.com) Obligor Web Site Address [www.umrc.com](http://www.umrc.com)

**Investor Relations Contact, if any:**

Name \_\_\_\_\_ Title \_\_\_\_\_  
Telephone \_\_\_\_\_ Email Address \_\_\_\_\_

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

**OFFICER'S CERTIFICATE**

**DATED: MAY 14, 2010**

This Officer's Certificate is delivered pursuant to Section 5.6(a)(ii) of the Loan Agreement between United Methodist Retirement Communities, Inc. (the Corporation) and The Economic Development Corporation of the City 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 National Association, as Trustee, dated as of April 1, 1998.

Attached are internally-prepared quarterly financial statements for the Fiscal Year quarter ended March 31, 2010, including a balance sheet as of such date and a statement of activities and changes in Net Assets for such quarter (the Quarterly Financial Statements). The undersigned certifies that:

1. I am the President and Chief Executive Officer of the Corporation and duly authorized to deliver this Officer's Certificate;
2. the Quarterly Financial Statements have been prepared on substantially the same accounting basis as the Corporation's audited financial statements for its Most Recent Fiscal Year; and
3. the Quarterly Financial Statements are, to the best of my belief, true and correct, but may be subject to audit and Fiscal Year-end adjustments.

The Series 1998 Improvement Project (Towsley Village) has attained Stabilized Occupancy. The Officer's Certificate required by Section 5.6(b)(iii) of the Loan Agreement is no longer required.



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by: John J. Thorhauer  
President and Chief Executive Officer

**UNITED METHODIST RETIREMENT COMMUNITIES, INC.**  
**BALANCE SHEET**

ASSETS	MARCH 31 <u>2010</u>	DECEMBER 31 <u>2009</u>	LIABILITIES AND NET ASSETS	MARCH 31 <u>2010</u>	DECEMBER 31 <u>2009</u>
CURRENT ASSETS			CURRENT LIABILITIES		
Cash and cash equivalents	2,342,509	4,040,617	Current portion of long-term debt	480,000	480,000
Cash held in escrow	859,063	634,818	Cedars of Dexter deposits	859,063	634,818
Contributions Receivable - Current	96,195	113,616	Accounts payable	729,650	1,847,659
Accounts Receivable	1,664,637	1,934,570	Accrued and other liabilities	1,532,537	1,311,101
Investments	15,838,844	15,556,769	Borrowing under bank line of credit	-----	-----
Assets limited as to use	548,976	265,854	Due to third-party payors	-----	-----
Prepaid expenses and other current assets	<u>704,205</u>	<u>506,502</u>	Liability under split-interest agreements	<u>67,339</u>	<u>67,339</u>
Total current assets	22,054,429	23,052,746	Total current liabilities	3,668,589	4,340,917
CONTRIBUTIONS RECEIVABLE	802,409	802,409	LONG TERM DEBT	17,132,231	17,099,231
INVESTMENTS	2,412,374	2,412,374	LIABILITY UNDER SPLIT-INTEREST AGREEMENTS	<u>332,420</u>	<u>346,948</u>
ASSETS LIMITED AS TO USE	1,838,392	1,812,007	Total Liabilities	21,133,240	21,787,096
PROPERTY AND EQUIPMENT	35,632,391	34,942,660	NET ASSETS		
OTHER ASSETS			Unrestricted:		
Bond issue costs	655,667	661,550	Undesignated	22,740,525	22,164,418
Revolving loan issuance costs	-----	-----	Board designated	<u>16,762,091</u>	<u>16,974,288</u>
Investment in Affiliate	-----	-----	Total unrestricted	<u>39,502,616</u>	<u>39,138,706</u>
Beneficial Interest in Perpetual Trusts	206,955	206,955	Restricted:		
Beneficial Interest in Van Dusen Endowmer	<u>2,323,633</u>	<u>2,302,158</u>	Temporarily restricted	1,151,763	1,149,901
Total other assets	3,186,255	3,170,663	Permanently restricted	<u>4,138,631</u>	<u>4,117,156</u>
			Total restricted	<u>5,290,394</u>	<u>5,267,057</u>
			Total net assets	<u>44,793,010</u>	<u>44,405,763</u>
Total assets	<u>65,926,250</u>	<u>66,192,859</u>	Total liabilities and net assets	<u>65,926,250</u>	<u>66,192,859</u>

**UNITED METHODIST RETIREMENT COMMUNITIES, INC.**  
**STATEMENT OF ACTIVITIES**

**THREE MONTHS ENDED MARCH 31, 2010**

**FY2009**

	<u>Chelsea Retirement Community</u>	<u>Total</u>	<u>Total</u>
Changes in unrestricted net assets:			
Operating revenue:			
Net resident revenue	5,814,080	5,814,080	22,963,708
Other	<u>48,566</u>	<u>48,566</u>	<u>205,899</u>
Total operating revenue	5,862,646	5,862,646	23,169,607
Operating expenses:			
Health care services:			
Salaries, wages and purchased labor	2,947,141	2,947,141	11,396,102
Payroll taxes	219,663	219,663	788,678
Food	200,931	200,931	747,335
Medical care	177,663	177,663	707,850
Utilities	227,407	227,407	805,424
Repairs and maintenance	185,333	185,333	804,156
Supplies	155,736	155,736	592,603
Insurance	553,524	553,524	2,183,432
Laundry and housekeeping	2,365	2,365	22,181
Provider Tax	78,155	78,155	248,149
Bad debts	15,339	15,339	95,960
Miscellaneous	210,712	210,712	440,053
Depreciation	554,940	554,940	2,132,646
Interest expense	169,065	169,065	646,169
Real estate taxes	61,429	61,429	243,326
General and administration:			
Executive office expenses	-----	-----	<u>1,032,640</u>
Total operating expenses	<u>5,759,403</u>	<u>5,759,403</u>	<u>22,886,704</u>
Operating Income (Loss) before other operating activities	103,243	103,243	282,903

**UNITED METHODIST RETIREMENT COMMUNITIES, INC.**  
**STATEMENT OF ACTIVITIES**

THREE MONTHS ENDED MARCH 31, 2010

FY2009

	Chelsea Retirement Community	Nonoperating Activities	Total Undesignated	Board Designated	Temporarily Restricted	Permanently Restricted	Total	Total
Other changes in unrestricted net assets								
Contributions		39,615	39,615	43,126	-----	-----	82,741	380,728
Fundraising - Promotion and Development		(83,231)	(83,231)	-----	-----	-----	(83,231)	(386,138)
Investment income		-----	-----	34,034	-----	-----	34,034	285,622
Gains (losses) on sale of investments		-----	-----	<u>83</u>	-----	-----	<u>83</u>	<u>23,380</u>
Total other operating activities		(43,616)	(43,616)	77,243	-----	-----	33,627	303,592
Operating Income	103,243	(43,616)	59,627	77,243	-----	-----	136,870	(409,897)
Change in obligation to provide future services		-----	-----	-----	-----	-----	-----	-----
Gains (losses) in value of affiliate		-----	-----	-----	-----	-----	-----	-----
Unrealized gains (losses) on investments		-----	-----	443,222	-----	-----	443,222	3,658,551
Expenses of Dexter project		(181,799)	(181,799)	-----	-----	-----	(181,799)	(680,315)
Impairment of asset / discontinued operations		(34,383)	(34,383)	-----	-----	-----	(34,383)	(790,663)
Other gains (losses)		-----	-----	-----	-----	-----	-----	42,336
Gains (losses) on disposal of fixed assets		-----	-----	-----	-----	-----	-----	-----
Net assets released from restrictions		-----	-----	-----	-----	-----	-----	456,868
Transfer of 5% of Heritage balance		732,662	732,662	(732,662)	-----	-----	-----	-----
Transfer of 5% from Holmes Endowment		-----	-----	-----	-----	-----	-----	-----
Transfer of Endowment income		-----	-----	-----	-----	-----	-----	139,681
Transfer from Perm Rest - dissolution of perpetual trust		-----	-----	-----	-----	-----	-----	-----
Transfer of investment income		-----	-----	-----	-----	-----	-----	-----
Other		-----	-----	-----	-----	-----	-----	-----
Total other changes in net assets	-----	516,480	516,480	(289,440)	-----	-----	227,040	2,826,458
Increase (decrease) in unrestricted net assets before cumulative effect of change(s) in accounting principle(s)	103,243	472,864	576,107	(212,197)	-----	-----	363,910	2,416,561
Cumulative effect of change(s) in accounting principle(s)	-----	-----	-----	-----	-----	-----	-----	-----
Increase (decrease) in unrestricted net assets	103,243	472,864	576,107	(212,197)	-----	-----	363,910	2,416,561
Changes in temporarily restricted net assets:								
Net assets released from restrictions for capital improvements		-----	-----	-----	-----	-----	-----	(456,868)
Contributions		-----	-----	-----	1,862	-----	1,862	364,272
Change in value of pledge		-----	-----	-----	-----	-----	-----	-----
Transfer from Endowment		-----	-----	-----	-----	-----	-----	462,306
Change in value of split-interest agreements		-----	-----	-----	-----	-----	-----	(43,324)
Increase (decrease) in temporarily restricted net assets	-----	-----	-----	-----	1,862	-----	1,862	326,386
Changes in permanently restricted net assets:								
Contributions		-----	-----	-----	-----	21,475	21,475	400,000
Investment income in perpetual trusts		-----	-----	-----	-----	-----	-----	2,629
Investment income - Van Dusen investments		-----	-----	-----	-----	-----	-----	137,052
Investment income - Master Trusts		-----	-----	-----	-----	-----	-----	31,510
Realized gains (losses) on Master trust		-----	-----	-----	-----	-----	-----	3,308
Unrealized gains (losses) on perpetual trusts		-----	-----	-----	-----	-----	-----	15,690
Unrealized gains (losses) on Master Trust		-----	-----	-----	-----	-----	-----	379,014
Unrealized gains (losses) on Van Dusen investments		-----	-----	-----	-----	-----	-----	292,013
Transfer Endowment income to operating		-----	-----	-----	-----	-----	-----	(139,681)
Transfer 5% from Holmes Endowment		-----	-----	-----	-----	-----	-----	-----
Transfer to Temporarily Restricted		-----	-----	-----	-----	-----	-----	(462,306)
Dissolution of Perpetual Trust - transfer to Board Designated		-----	-----	-----	-----	-----	-----	-----
Increase (decrease) in permanently restricted net assets	-----	-----	-----	-----	-----	21,475	21,475	659,229
Increase (decrease) in net assets	<u>103,243</u>	<u>472,864</u>	576,107	(212,197)	1,862	21,475	387,247	3,402,176
Beginning Net Assets			<u>22,164,418</u>	<u>16,974,288</u>	<u>1,149,901</u>	<u>4,117,156</u>	<u>44,405,763</u>	<u>41,003,587</u>
Ending Net Assets			<u>22,740,525</u>	<u>16,762,091</u>	<u>1,151,763</u>	<u>4,138,631</u>	<u>44,793,010</u>	<u>44,405,763</u>

# UNITED METHODIST RETIREMENT COMMUNITIES, INC.

## STATEMENT OF CASH FLOWS

**Three Months Ended  
March 31, 2010**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Increase (decrease) in net assets	387,247
Adjustments to reconcile increase in net assets to net cash from operating activities:	
Change in value of beneficial interest in perpetual trusts	-----
Change in value of split-interest agreements	-----
Depreciation (CRC)	554,940
Amortization of revolving loan issuance costs	-----
Amortization of 1998 bond issue costs	5,883
Realized and unrealized (gains) losses on investments	(443,305)
Unrealized (gains) losses on Van Dusen investments	-----
Gains (losses) on disposal of fixed assets	-----
Bad debt expense	15,339
(Gains) losses from investment in affiliate	-----
Contributions directly to Van Dusen	(21,475)
Proceeds from pledge payments	2,400
Contributions restricted for long-term investment	15,021
Decrease (increase) in operating assets:	
Accounts receivable	254,594
Prepaid expenses and other current assets	(197,703)
Increase (decrease) in operating liabilities:	
Accounts payable	(1,118,009)
Accrued and other liabilities	221,436
Liability under split-interest agreements	(14,528)
Net cash provided by operating activities	<u>(338,160)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Additions to (disposals of) property and equipment	(1,244,671)
Proceeds from sale of property and equipment	-----
Change in limited use assets	(309,507)
(Purchase) of investments	-----
Proceeds from sale of investments	161,230
Net cash used in investing activities	<u>(1,392,948)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Proceeds from contributions restricted for long-term investment	-----
Cash draw on (payoff of) bank line of credit (Chelsea State Bank)	-----
Cash draw on (payoff of) revolving loan (The Huntington Bank)	33,000
Principal payments on long-term debt	-----
Net cash provided by (used in) financing activities:	<u>33,000</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(1,698,108)</b>
<b>CASH AND CASH EQUIVALENTS - Beginning of period</b>	<b>4,040,617</b>
<b>CASH AND CASH EQUIVALENTS - End of period</b>	<b><u>2,342,509</u></b>