

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:

163347BB2

163347BC0

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) 5 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: _____

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: _____ April – June 2010 (FY2010Q2) _____

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 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 _____ 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 _____ Obligor Web Site Address _____ 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: AUGUST 2, 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 June 30, 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.



by: John J. Thorhauer
President and Chief Executive Officer

UNITED METHODIST RETIREMENT COMMUNITIES, INC.
BALANCE SHEET

ASSETS	JUNE 30 <u>2010</u>	DECEMBER 31 <u>2009</u>	LIABILITIES AND NET ASSETS	JUNE 30 <u>2010</u>	DECEMBER 31 <u>2009</u>
CURRENT ASSETS			CURRENT LIABILITIES		
Cash and cash equivalents	2,537,973	4,040,617	Current portion of long-term debt	480,000	480,000
Cash held in escrow	2,079,037	634,818	Cedars of Dexter deposits	2,079,062	634,818
Contributions Receivable - Current	86,372	113,616	Accounts payable	1,687,611	1,847,659
Accounts Receivable	1,680,338	1,934,570	Accrued and other liabilities	1,834,205	1,311,101
Investments	14,833,025	15,556,769	Borrowing under bank line of credit	-----	-----
Assets limited as to use	506,141	265,854	Due to third-party payors	-----	-----
Prepaid expenses and other current assets	<u>667,456</u>	<u>506,502</u>	Liability under split-interest agreements	<u>67,339</u>	<u>67,339</u>
Total current assets	22,390,342	23,052,746	Total current liabilities	6,148,217	4,340,917
CONTRIBUTIONS RECEIVABLE	889,114	802,409	LONG TERM DEBT	19,595,932	17,099,231
INVESTMENTS	2,412,374	2,412,374	LIABILITY UNDER SPLIT-INTEREST AGREEMENTS	<u>315,797</u>	<u>346,948</u>
ASSETS LIMITED AS TO USE	1,811,714	1,812,007	Total Liabilities	26,059,946	21,787,096
PROPERTY AND EQUIPMENT	38,663,900	34,942,660	NET ASSETS		
OTHER ASSETS			Unrestricted:		
Bond issue costs	641,626	661,550	Undesignated	22,145,325	22,164,418
Revolving loan issuance costs	-----	-----	Board designated	<u>15,830,940</u>	<u>16,974,288</u>
Investment in Affiliate	-----	-----	Total unrestricted	<u>37,976,265</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	1,152,787	1,149,901
Total other assets	3,172,214	3,170,663	Permanently restricted	<u>4,150,660</u>	<u>4,117,156</u>
			Total restricted	<u>5,303,447</u>	<u>5,267,057</u>
			Total net assets	<u>43,279,712</u>	<u>44,405,763</u>
Total assets	<u>69,339,658</u>	<u>66,192,859</u>	Total liabilities and net assets	<u>69,339,658</u>	<u>66,192,859</u>

UNITED METHODIST RETIREMENT COMMUNITIES, INC.
STATEMENT OF ACTIVITIES

SIX MONTHS ENDED JUNE 30, 2010

FY2009

	<u>Chelsea Retirement Community</u>	<u>Cedars of Dexter</u>	<u>Total</u>	<u>Total</u>
Changes in unrestricted net assets:				
Operating revenue:				
Net resident revenue	11,650,295	12,345	11,662,640	22,963,708
Other	<u>95,300</u>	-----	<u>95,300</u>	<u>205,899</u>
Total operating revenue	11,745,595	12,345	11,757,940	23,169,607
Operating expenses:				
Health care services:				
Salaries, wages and purchased labor	6,009,336	4,887	6,014,223	11,396,102
Payroll taxes	394,118	93	394,211	788,678
Food	392,641	-----	392,641	747,335
Medical care	423,922	-----	423,922	707,850
Utilities	417,312	1,701	419,013	805,424
Repairs and maintenance	338,077	6,336	344,413	804,156
Supplies	292,209	3,259	295,468	592,603
Insurance	1,129,941	-----	1,129,941	2,183,432
Laundry and housekeeping	5,905	-----	5,905	22,181
Provider Tax	165,532	-----	165,532	248,149
Bad debts	39,953	-----	39,953	95,960
Miscellaneous	446,012	24,213	470,225	440,053
Depreciation	1,109,880	58,332	1,168,212	2,132,646
Interest expense	338,131	25,695	363,826	646,169
Real estate taxes	122,857	-----	122,857	243,326
Cedars of Dexter marketing	-----	326,201	326,201	680,315
General and administration:				
Executive office expenses	-----	-----	-----	<u>1,032,640</u>
Total operating expenses	<u>11,625,826</u>	<u>450,717</u>	<u>12,076,543</u>	<u>23,567,019</u>
Operating Income (Loss) before other operating activities	119,769	(438,372)	(318,603)	(397,412)

UNITED METHODIST RETIREMENT COMMUNITIES, INC.
STATEMENT OF ACTIVITIES

SIX MONTHS ENDED JUNE 30, 2010

FY2009

	Chelsea Retirement Community	Cedars of Dexter	Nonoperating Activities	Total Undesignated	Board Designated	Temporarily Restricted	Permanently Restricted	Total	Total
Other changes in unrestricted net assets									
Contributions			82,232	82,232	73,075	-----	-----	155,307	380,728
Fundraising - Promotion and Development			(185,475)	(185,475)	-----	-----	-----	(185,475)	(386,138)
Investment income			-----	-----	158,019	-----	-----	158,019	285,622
Gains (losses) on sale of investments			-----	-----	(334)	-----	-----	(334)	23,380
Total other operating activities			(103,243)	(103,243)	230,760	-----	-----	127,517	303,592
Operating Income	119,769	(438,372)	(103,243)	(421,846)	230,760	-----	-----	(191,086)	(409,897)
Change in obligation to provide future services			-----	-----	-----	-----	-----	-----	-----
Gains (losses) in value of affiliate			-----	-----	-----	-----	-----	-----	-----
Unrealized gains (losses) on investments			-----	-----	(641,446)	-----	-----	(641,446)	3,658,551
Expenses of Dexter project			-----	-----	-----	-----	-----	-----	(680,315)
Impairment of asset / discontinued operations			(329,909)	(329,909)	-----	-----	-----	(329,909)	(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	-----	-----	402,753	402,753	(1,374,108)	-----	-----	(971,355)	2,826,458
Increase (decrease) in unrestricted net assets before cumulative effect of change(s) in accounting principle(s)	119,769	(438,372)	299,510	(19,093)	(1,143,348)	-----	-----	(1,162,441)	2,416,561
Cumulative effect of change(s) in accounting principle(s)	-----	-----	-----	-----	-----	-----	-----	-----	-----
Increase (decrease) in unrestricted net assets	119,769	(438,372)	299,510	(19,093)	(1,143,348)	-----	-----	(1,162,441)	2,416,561
Changes in temporarily restricted net assets:									
Net assets released from restrictions for capital improvements			-----	-----	-----	-----	-----	-----	(456,868)
Contributions			-----	-----	-----	2,886	-----	2,886	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	-----	-----	-----	-----	-----	2,886	-----	2,886	326,386
Changes in permanently restricted net assets:									
Contributions			-----	-----	-----	-----	33,504	33,504	400,000
Investment income in perpetual trusts			-----	-----	-----	-----	-----	-----	2,629
Investment income - Van Dusen investments			-----	-----	-----	-----	-----	-----	137,052
Investment income - Master Trusts			-----	-----	31,510	-----	-----	-----	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	-----	-----	-----	-----	-----	-----	33,504	33,504	659,229
Increase (decrease) in net assets	119,769	(438,372)	299,510	(19,093)	(1,143,348)	2,886	33,504	(1,126,051)	3,402,176
Beginning Net Assets				22,164,418	16,974,288	1,149,901	4,117,156	44,405,763	41,003,587
Ending Net Assets				22,145,325	15,830,940	1,152,787	4,150,660	43,279,712	44,405,763

UNITED METHODIST RETIREMENT COMMUNITIES, INC.

STATEMENT OF CASH FLOWS

	Six Months Ended June 30, 2010
CASH FLOWS FROM OPERATING ACTIVITIES	
Increase (decrease) in net assets	(1,126,051)
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)	1,168,212
Amortization of revolving loan issuance costs	-----
Amortization of 1998 bond issue costs	19,924
Realized and unrealized (gains) losses on investments	641,780
Unrealized (gains) losses on Van Dusen investments	-----
Gains (losses) on disposal of fixed assets	-----
Bad debt expense	39,953
Life insurance payment reimbursement due	(78,398)
(Gains) losses from investment in affiliate	-----
Contributions directly to Van Dusen	(21,450)
Proceeds from pledge payments	30,503
Contributions restricted for long-term investment	(11,566)
Decrease (increase) in operating assets:	
Accounts receivable	214,279
Prepaid expenses and other current assets	(160,954)
Increase (decrease) in operating liabilities:	
Accounts payable	(160,048)
Accrued and other liabilities	523,104
Liability under split-interest agreements	(31,151)
Net cash provided by operating activities	1,048,137
CASH FLOWS FROM INVESTING ACTIVITIES	
Additions to (disposals of) property and equipment	(4,889,452)
Proceeds from sale of property and equipment	-----
Change in limited use assets	(239,994)
(Purchase) of investments	-----
Proceeds from sale of investments	81,964
Net cash used in investing activities	(5,047,482)
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from contributions restricted for long-term investment	-----
Cash draw on (payoff of) revolving loan (The Huntington Bank)	2,496,701
Principal payments on long-term debt	-----
Net cash provided by (used in) financing activities	2,496,701
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,502,644)
CASH AND CASH EQUIVALENTS - Beginning of period	4,040,617
CASH AND CASH EQUIVALENTS - End of period	2,537,973