

Form **990**
Department of the Treasury
Internal Revenue Service**Return of Organization Exempt From Income Tax**
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung
benefit trust or private foundation)

OMB No. 1545-0047

2007

Open to Public Inspection

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

A For the 2007 calendar year, or tax year beginning , and ending**B** Check if applicable:

- Address change
- Name change
- Initial return
- Termination
- Amended return
- Application pending

Please use IRS label or print or type. See Specific Instructions.

C Name of organization
United Methodist Retirement Communities, Inc.

Number and street (or P.O. box if mail is not delivered to street address) Room/suite

805 W. Middle Street

City or town, state or country, and ZIP + 4

Chelsea MI 48118**D** Employer identification number
38-1366908**E** Telephone number
734-433-1000**F** Accounting method: Cash
 Accrual Other (specify)

• Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

H and I are not applicable to section 527 organizations.

H(a) Is this a group return for affiliates? Yes No**H(b)** If "Yes," enter number of affiliates ▶**H(c)** Are all affiliates included? Yes No

(If "No," attach a list. See Instructions.)

H(d) Is this a separate return filed by an organization covered by a group ruling? Yes No**I** Group Exemption Number ▶**M** Check if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF).**G** Website: **www.umrc.com****J** Organization type(check only one) 501(c) (**3**) ◀ (Insert no.) 4947(a)(1) or 527**K** Check here if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return.**L** Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 ▶ **40,051,954****Part I** Revenue, Expenses, and Changes in Net Assets or Fund Balances (See the instructions.)

Revenue	1 Contributions, gifts, grants, and similar amounts received:				
	a Contributions to donor advised funds	1a			
	b Direct public support (not included on line 1a)	1b	1,191,643		
	c Indirect public support (not included on line 1a)	1c			
	d Government contributions (grants) (not included on line 1a)	1d			
	e Total (add lines 1a through 1d) (cash \$ 1,191,643 noncash \$)	1e	1,191,643		
	2 Program service revenue including government fees and contracts (from Part VII, line 93)	2	33,925,293		
	3 Membership dues and assessments	3			
	4 Interest on savings and temporary cash investments	4			
	5 Dividends and interest from securities	5	1,170,455		
	6a Gross rents	6a			
	b Less: rental expenses	6b			
c Net rental income or (loss). Subtract line 6b from line 6a	6c				
7 Other investment income (describe ▶ See Statement 1)	7	182,784			
8a Gross amount from sales of assets other than inventory	(A) Securities		(B) Other		
	3,543,559	8a			
	3,533,765	8b			
b Less: cost or other basis and sales expenses		9,794	8c		
c Gain or (loss) (attach schedule)					
d Net gain or (loss). Combine line 8c, columns (A) and (B)		See Stmt 2	8d	9,794	
9 Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>					
a Gross revenue (not including \$ of contributions reported on line 1b)	9a				
b Less: direct expenses other than fundraising expenses	9b				
c Net income or (loss) from special events. Subtract line 9b from line 9a	9c				
10a Gross sales of inventory, less returns and allowances	10a				
	b Less: cost of goods sold	10b			
	c Gross profit or (loss) from sales of inventory (attach schedule). Subtract line 10b from line 10a	10c			
11 Other revenue (from Part VII, line 103)	11	38,220			
12 Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11	12	36,518,189			
Expenses	13 Program services (from line 44, column (B))	13	32,929,642		
	14 Management and general (from line 44, column (C))	14	1,780,693		
	15 Fundraising (from line 44, column (D))	15	434,768		
	16 Payments to affiliates (attach schedule)	16			
	17 Total expenses. Add lines 16 and 44, column (A)	17	35,145,103		
Net Assets	18 Excess or (deficit) for the year. Subtract line 17 from line 12	18	1,373,086		
	19 Net assets or fund balances at beginning of year (from line 73, column (A))	19	46,029,652		
	20 Other changes in net assets or fund balances (attach explanation) See Statement 3	20	299,770		
	21 Net assets or fund balances at end of year. Combine lines 18, 19, and 20	21	47,702,508		

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.
DAA

Form 990 (2007)

Part II Statement of Functional Expenses All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. (See the instructions.)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22a Grants paid from donor advised funds (attach schedule) (cash \$ _____ non-cash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22a			
22b Other grants and allocations (attach schedule) (cash \$ _____ non-cash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22b			
23 Specific assistance to individuals (attach schedule)	23			
24 Benefits paid to or for members (attach schedule)	24			
25a Compensation of current officers, directors, key employees, etc. listed in Part V-A See Statement 4	25a	176,481	176,481	
b Compensation of former officers, directors, key employees, etc. listed in Part V-B	25b			
c Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	25c			
26 Salaries and wages of employees not included on lines 25a, b, and c	26	14,453,236	13,474,814	788,069
27 Pension plan contributions not included on lines 25a, b, and c	27	179,268	162,864	16,401
28 Employee benefits not included on lines 25a - 27	28	2,739,112	2,592,218	110,047
29 Payroll taxes	29	1,252,597	1,163,666	74,710
30 Professional fundraising fees	30			
31 Accounting fees	31	38,400	38,400	
32 Legal fees	32	121,862	103,695	18,167
33 Supplies	33	1,577,563	1,561,760	14,455
34 Telephone	34	164,411	149,507	14,177
35 Postage and shipping	35	17,007	10,171	6,836
36 Occupancy	36	2,600,277	2,598,130	2,147
37 Equipment rental and maintenance	37	472,100	466,858	5,242
38 Printing and publications	38	123,295	44,268	2,939
39 Travel	39	122,326	75,943	30,353
40 Conferences, conventions, and meetings	40			
41 Interest	41	15,625		15,625
42 Depreciation, depletion, etc. (attach schedule)	42	2,425,415	2,383,213	41,717
43 Other expenses not covered above (itemize): a See Statement 5	43a	8,666,128	8,152,706	437,217
b	43b			
c	43c			
d	43d			
e	43e			
f	43f			
g	43g			
44 Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	44	35,145,103	32,929,642	1,780,693

Joint Costs. Check if you are following SOP 98-2.
 Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No
 If "Yes," enter (i) the aggregate amount of these joint costs \$ _____ ; (ii) the amount allocated to Program services \$ _____ ;
 (iii) the amount allocated to Management and general \$ _____ ; and (iv) the amount allocated to Fundraising \$ _____

Part II Statement of Program Service Accomplishments (See the instructions.)

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

What is the organization's primary exempt purpose?

▶ **Housing and services for the elderly**

All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)

Program Service Expenses
(Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)

a **Chelsea Retirement Community and Boulevard Temple Retirement Community provided long term nursing and residential care to approximately 1,700 residents during 2007, including benevolent care to many who were unable to pay the full cost of their own care.**

(Grants and allocations \$) If this amount includes foreign grants, check here ▶

32,929,642

b

(Grants and allocations \$) If this amount includes foreign grants, check here ▶

c

(Grants and allocations \$) If this amount includes foreign grants, check here ▶

d

(Grants and allocations \$) If this amount includes foreign grants, check here ▶

e Other program services (attach schedule)

(Grants and allocations \$) If this amount includes foreign grants, check here ▶

f **Total of Program Service Expenses (should equal line 44, column (B), Program services)** ▶

32,929,642

Part IV Balance Sheets (See the instructions.)

				(A)		(B)
				Beginning of year		End of year
Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.						
Assets	45	Cash—non-interest-bearing			45	
	46	Savings and temporary cash investments		2,812,089	46	2,448,547
	47a	47a	3,451,261	3,078,209	47c	2,882,857
	b	47b	568,404			
	48a	48a	1,106,884	2,411,122	48c	1,102,668
	b	48b	4,216			
	49	Grants receivable			49	
	50a	Receivables from current and former officers, directors, trustees, and key employees (attach schedule)			50a	
	b	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (att. schedule)			50b	
	51a	Other notes and loans receivable (attach schedule)			51c	
	b	51b				
	52	Inventories for sale or use			52	
	53	Prepaid expenses and deferred charges		1,143,176	53	1,063,851
	54a	Investments—publicly-traded securities See Statement 6 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV		15,696,144	54a	16,810,785
	b	Investments—other securities (attach schedule) <input type="checkbox"/> Cost <input type="checkbox"/> FMV			54b	
55a	Investments—land, buildings, and equipment: basis			55c		
b	55b					
56	Investments—other (attach schedule) See Stmt 7		3,103,304	56	3,464,108	
57a	Land, buildings, and equipment: basis		69,162,125	57c	35,780,589	
b	57b	33,381,536				
58	Other assets, including program-related investments (describe See Statement 9)		2,614,430	58	2,549,889	
59	Total assets (must equal line 74). Add lines 45 through 58		65,609,072	59	66,103,294	
Liabilities	60	Accounts payable and accrued expenses		3,835,326	60	3,062,642
	61	Grants payable			61	
	62	Deferred revenue			62	
	63	Loans from officers, directors, trustees, and key employees (attach schedule)			63	
	64a	Tax-exempt bond liabilities (attach schedule) See Worksheet		15,375,000	64a	14,960,000
	b	Mortgages and other notes payable (attach schedule)			64b	
	65	Other liabilities (describe See Statement 10)		369,094	65	378,144
66	Total liabilities. Add lines 60 through 65		19,579,420	66	18,400,786	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.					
	67	Unrestricted		40,246,373	67	41,690,459
	68	Temporarily restricted		1,347,102	68	1,251,437
	69	Permanently restricted		4,436,177	69	4,760,612
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.					
	70	Capital stock, trust principal, or current funds			70	
	71	Paid-in or capital surplus, or land, building, and equipment fund			71	
	72	Retained earnings, endowment, accumulated income, or other funds			72	
73	Total net assets or fund balances. Add lines 67 through 69 or lines 70 through 72. (Column (A) must equal line 19 and column (B) must equal line 21)		46,029,652	73	47,702,508	
74	Total liabilities and net assets/fund balances. Add lines 66 and 73		65,609,072	74	66,103,294	

Part VI Other Information (continued)

		Yes	No
82a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?		X
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)		
	82b		
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?		N/A
	83b		
84a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		N/A
	84b		
85a	501(c)(4), (5), or (6). Were substantially all dues nondeductible by members?		N/A
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.		N/A
	85c		
d	Section 162(e) lobbying and political expenditures		85d
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices		85e
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)		85f
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?		N/A
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?		N/A
	85g		
	85h		
86	501(c)(7) orgs. Enter: a Initiation fees and capital contributions included on line 12		86a
b	Gross receipts, included on line 12, for public use of club facilities		86b
87	501(c)(12) orgs. Enter: a Gross income from members or shareholders		87a
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)		87b
88a	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX		88a
b	At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Part XI		88b
89a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 0 ; section 4912 0 ; section 4955 0		
b	501(c)(3) and 501(c)(4) orgs. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction		89b
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		0
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization		0
e	All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?		89e
f	All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract?		89f
g	For supporting organizations and sponsoring organizations maintaining donor advised funds. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		89g
90a	List the states with which a copy of this return is filed MI		
b	Number of employees employed in the pay period that includes March 12, 2007 (See instructions.)	90b	481
91a	The books are in care of Mark Royce 805 W. Middle St Located at Chelsea, MI	Telephone no. 734-433-1000 ZIP + 4 48118	
b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If "Yes," enter the name of the foreign country See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		91b
		Yes	No
			X

Part VI Other Information (continued)

Yes No

- c At any time during the calendar year, did the organization maintain an office outside of the United States? 91c Yes No
 If "Yes," enter the name of the foreign country ▶
- 92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041—Check here
 and enter the amount of tax-exempt interest received or accrued during the tax year ▶ 92

Part VII Analysis of Income-Producing Activities (See the instructions.)

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue:					
a Retirement Community Fees					33,925,293
b					
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments					
96 Dividends and interest from securities			14	1,170,455	
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income			14	182,784	
100 Gain or (loss) from sales of assets other than inventory			18	9,794	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue: a					
b Management Fees	541610	38,220			
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		38,220		1,363,033	33,925,293
105 Total (add line 104, columns (B), (D), and (E))					35,326,546

Note: Line 105 plus line 1e, Part I, should equal the amount on line 12, Part I.

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See the instructions.)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
93a	Fees for services provided in our Retirement Communities

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See the instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions.)

- (a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No
- (b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No

Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).

Part XI Information Regarding Transfers To and From Controlled Entities. Complete only if the organization is a controlling organization as defined in section 512(b)(13).

106 Did the reporting organization make any transfers to a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.

	Yes	No
		X

	(A) Name, address, of each controlled entity	(B) Employer ID Number	(C) Description of transfer	(D) Amount of transfer
a			
b			
c			
Totals				

107 Did the reporting organization receive any transfers from a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.

	Yes	No
		X

	(A) Name, address, of each controlled entity	(B) Employer ID Number	(C) Description of transfer	(D) Amount of transfer
a			
b			
c			
Totals				

108 Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above?

	Yes	No

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Please Sign Here

Signature of officer: **John Thorhauer** Date: _____
 Type or print name and title: **President & CEO**

Paid Preparer's Use Only

Preparer's signature: _____ Date: _____ Check if self-employed: Preparer's SSN or PTIN (See Gen. Instr. X): _____

Firm's name (or yours if self-employed), address, and ZIP + 4: _____ EIN: _____ Phone no.: _____

Part III Statements About Activities (See page 2 of the instructions.)

		Yes	No
1	During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶ \$ _____ (Must equal amounts on line 38, Part VI-A, or line I of Part VI-B.)		X
Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.			
2	During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)		
a	Sale, exchange, or leasing of property?		X
b	Lending of money or other extension of credit?		X
c	Furnishing of goods, services, or facilities?		X
d	Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? See Part V-A, Form 990	X	
e	Transfer of any part of its income or assets?		X
3a	Did the organization make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how the organization determines that recipients qualify to receive payments.)		X
b	Did the organization have a section 403(b) annuity plan for its employees?	X	
c	Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," attach a detailed statement		X
d	Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?		X
4a	Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g. If "No," complete lines 4f and 4g		X
b	Did the organization make any taxable distributions under section 4966?		
c	Did the organization make a distribution to a donor, donor advisor, or related person?		
d	Enter the total number of donor advised funds owned at the end of the tax year ▶ _____		
e	Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year ▶ _____		
f	Enter the total number of separate funds or accounts owned at the end of the tax year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts ▶ _____		0
g	Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year ▶ _____		0

Part IV Reason for Non-Private Foundation Status (See pages 4 through 8 of the instructions.)

I certify that the organization is not a private foundation because it is: (Please check only **ONE** applicable box.)

- 5 A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- 6 A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
- 7 A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8 A federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9 A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state ►
- 10 An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)
- 11a An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 11b A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 12 An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions-subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the **Support Schedule** in Part IV-A.)
- 13 An organization that is not controlled by any disqualified persons (other than foundation managers) and otherwise meets the requirements of section 509(a)(3). Check the box that describes the type of supporting organization:
 - Type I
 - Type II
 - Type III-Functionally Integrated
 - Type III-Other

Provide the following information about the supported organizations. (See page 8 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Employer identification number (EIN)	(c) Type of organization (described in lines 5 through 12 above or IRC section)	(d) Is the supported organization listed in the supporting organization's governing documents?		(e) Amount of support
			Yes	No	
Total					

- 14 An organization organized and operated to test for public safety. Section 509(a)(4). (See page 8 of the instructions.)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) Use cash method of accounting.

Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in)	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	3,171,334	1,592,081	608,860	1,199,800	6,572,075
16 Membership fees received					0
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose	32,612,884	29,787,254	28,051,162	26,501,114	116,952,414
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, income from similar sources, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	990,959	727,332	493,625	343,208	2,555,124
19 Net income from unrelated business activities not included in line 18					0
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					0
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge					0
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets Stmt 12	37,043	36,084	35,369	72,943	181,439
23 Total of lines 15 through 22	36,812,220	32,142,751	29,189,016	28,117,065	126,261,052
24 Line 23 minus line 17	4,199,336	2,355,497	1,137,854	1,615,951	9,308,638
25 Enter 1% of line 23	368,122	321,428	291,890	281,171	

26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24	26a	0
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2003 through 2006 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts	26b	
c Total support for section 509(a)(1) test: Enter line 24, column (e)	26c	
d Add: Amounts from column (e) for lines: 18 _____ 19 _____ 22 _____ 26b _____	26d	
e Public support (line 26c minus line 26d total)	26e	
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))	26f	%

27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year:

(2006)	58,300	(2005)	53,038	(2004)	58,332	(2003)	22,200
--------	--------	--------	--------	--------	--------	--------	--------

b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11b, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year:

(2006)	0	(2005)	0	(2004)	0	(2003)	0
--------	---	--------	---	--------	---	--------	---

c Add: Amounts from column (e) for lines: 15 <u>6,572,075</u> 16 _____ 17 <u>116,952,414</u> 20 _____ 21 _____	27c	123,524,489
d Add: Line 27a total <u>191,870</u> and line 27b total _____	27d	191,870
e Public support (line 27c total minus line 27d total)	27e	123,332,619
f Total support for section 509(a)(2) test: Enter amount from line 23, column (e)	27f	126,261,052
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))	27g	97.6807%
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))	27h	2.0237%

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2003 through 2006, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.

Part V Private School Questionnaire (See page 9 of the instructions.)
(To be completed ONLY by schools that checked the box on line 6 in Part IV)

		N/A	Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?	29		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?	30		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.)	31		
32	Does the organization maintain the following:			
a	Records indicating the racial composition of the student body, faculty, and administrative staff?	32a		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c		
d	Copies of all material used by the organization or on its behalf to solicit contributions?	32d		
	If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.)			
33	Does the organization discriminate by race in any way with respect to:			
a	Students' rights or privileges?	33a		
b	Admissions policies?	33b		
c	Employment of faculty or administrative staff?	33c		
d	Scholarships or other financial assistance?	33d		
e	Educational policies?	33e		
f	Use of facilities?	33f		
g	Athletic programs?	33g		
h	Other extracurricular activities?	33h		
	If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)			
34a	Does the organization receive any financial aid or assistance from a governmental agency?	34a		
b	Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement.	34b		
35	Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation	35		

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 11 of the instructions.)
 (To be completed **ONLY** by an eligible organization that filed Form 5768) **N/A**

Check <input type="checkbox"/>	a if the organization belongs to an affiliated group.	Check <input type="checkbox"/>	b if you checked "a" and "limited control" provisions apply.
Limits on Lobbying Expenditures		(a) Affiliated group totals	(b) To be completed for all electing organizations
(The term "expenditures" means amounts paid or incurred.)			
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)	36		
37 Total lobbying expenditures to influence a legislative body (direct lobbying)	37		
38 Total lobbying expenditures (add lines 36 and 37)	38		
39 Other exempt purpose expenditures	39		
40 Total exempt purpose expenditures (add lines 38 and 39)	40		
41 Lobbying nontaxable amount. Enter the amount from the following table-			
If the amount on line 40 is-	The lobbying nontaxable amount is-		
Not over \$500,000	20% of the amount on line 40		
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000		
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	41	
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000		
Over \$17,000,000	\$1,000,000		
42 Grassroots nontaxable amount (enter 25% of line 41)	42		
43 Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43		
44 Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44		
Caution: If there is an amount on either line 43 or line 44, you must file Form 4720.			

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below.
 See the instructions for lines 45 through 50 on page 13 of the instructions.)

Calendar year (or fiscal year beginning in) <input type="checkbox"/>	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2007	(b) 2006	(c) 2005	(d) 2004	(e) Total
45 Lobbying nontaxable amount					
46 Lobbying ceiling amount (150% of line 45(e))					
47 Total lobbying expenditures					
48 Grassroots nontaxable amount					
49 Grassroots ceiling amount (150% of line 48(e))					
50 Grassroots lobbying expenditures					

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See page 14 of the instructions.) **N/A**

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:	Yes	No	Amount
a Volunteers			
b Paid staff or management (Include compensation in expenses reported on lines c through h.)			
c Media advertisements			
d Mailings to members, legislators, or the public			
e Publications, or published or broadcast statements			
f Grants to other organizations for lobbying purposes			
g Direct contact with legislators, their staffs, government officials, or a legislative body			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means			
i Total lobbying expenditures (Add lines c through h.)			
If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities.			

Form 990	Tax-Exempt Bond Liabilities	2007
For calendar year 2007, or tax year beginning _____, and ending _____		

Name United Methodist Retirement Communities, Inc.	Employer Identification Number 38-1366908
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Form 990, Part IV, Line 64a - Additional Information

Name of lender	Purpose of issue
(1) Tax Exempt Bonds	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	

Issue date	Original amount of issue	Form 8038 filed:		Date retired	Completion date of project	Unexpended bond proceeds
		Y/N	Date filed			
(1) 11/15/98	22,980,000	Y	12/31/98	11/15/27		
(2)						
(3)						
(4)						
(5)						
(6)						
(7)						
(8)						
(9)						
(10)						

Third party use percent	Maturity date	Repayment terms	Interest rate
(1)	11/15/27	Annual	5.400
(2)			
(3)			
(4)			
(5)			
(6)			
(7)			
(8)			
(9)			
(10)			

Security provided by borrower	Amount outstanding at beginning of year	Amount outstanding at end of year
(1)	15,375,000	14,960,000
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Totals	15,375,000	14,960,000

Federal Statements

Statement 1 - Form 990, Part I, Line 7 - Other Investment Income

<u>Description</u>	<u>Amount</u>
Silver Maples Invest Income	\$ <u>182,784</u>
Total	\$ <u><u>182,784</u></u>

Federal Statements

Statement 2 - Form 990, Part I, Line 8c - Sale of Assets Other Than Inventory - Securities

Desc	How Rec'd	Whom Sold	Date Acquired	Date Sold	Sale Price	Cost & Expense	Depr	Gain/ -Loss
Publicly Traded Securities					\$3,543,559	\$3,533,765	\$	9,794
Total					<u>\$3,543,559</u>	<u>\$3,533,765</u>	0	<u>9,794</u>

Federal Statements

Statement 3 - Form 990, Line 20 - Other Changes in Net Assets or Fund Balances

<u>Description</u>	<u>Amount</u>
Net Unrealized Gains on Investments	\$ <u>299,770</u>
Total	\$ <u>299,770</u>

Federal Statements**Statement 5 - Form 990, Part II, Line 43 - Other Functional Expenses**

Description	Total Expenses	Program Service	Mgt & General	Fund-Raising
Expenses	\$	\$	\$	\$
Bad Debts	275,955	275,955		
Food	1,018,935	1,018,935		
Purchased Labor	3,572,216	3,571,584	632	
Prof Services and Mgmt Fees	742,418	382,818	325,987	33,613
Provider Tax	770,656	770,656		
Pharmacy	1,068,528	1,068,528		
Insurance & Other	1,217,420	1,064,230	110,598	42,592
Total	<u>\$ 8,666,128</u>	<u>\$ 8,152,706</u>	<u>\$ 437,217</u>	<u>\$ 76,205</u>

Federal Statements**Statement 6 - Form 990, Part IV, Line 54a - Publicly Traded Securities**

Description	Beginning of Year	End of Year	Basis of Valuation
Corporate Stock	\$	\$	
Abbott Labs	292,260	336,900	Market
Automatic Data Processing Inc	246,250	222,650	Market
Bank of America Corp	213,560	165,040	Market
Boeing Co	310,940	306,110	Market
Comerica Inc	293,400	217,650	Market
Computer Sciences Corp	133,425	123,675	Market
Conagra Foods Inc	189,000	166,530	Market
Disney Walt Co	205,620	193,680	Market
Exxon Mobil Corporation	344,835	421,605	Market
General Electric Co	279,075	278,025	Market
IBM Corp	291,450	324,300	Market
Kimberly Clark Corp	271,800	242,690	Market
Marsh & McLennan Cos Inc	122,640	105,880	Market
McDonalds Corp	265,980	353,460	Market
Merck & Co Inc	239,800	319,605	Market
Pepsico Inc	344,025	417,450	Market
Pfizer Inc	181,300	159,110	Market
Procter & Gamble Co	321,350	367,100	Market
Verizon Communications	167,580	196,605	Market
Wal-Mart Stores Inc	230,900	237,650	Market
Alcatel Alsthom Spon ADR	13,879		Market
BP PLC Spon ADR	268,400	292,811	Market
IShares RT-S&P 500 Index	284,000		Market
Artisan International Fund	833,470	1,025,188	Market
Constellation Clover S/C Value Fund	1,007,659		Market
Harbor International Fund	858,055	1,014,041	Market
Harbor Small Cap Growth Fund	983,332	1,117,427	Market
Tamarack Mid Cap Equity Fund	924,738	1,041,519	Market
Wells Fargo TR Advantage MidCap Fund	1,026,110	936,002	Market
Disney Walt Co	5,178		Market
Lazard Emerging Markets		484,948	Market
Touchstone FDS Group TR		697,086	Market
Corporate Bonds			
GNMA Pool #155749 8.5%	199	181	Market
Pimco Total Return Fund	4,545,934	4,156,676	Market
STI Classic FDS SEIX High Income FD		889,191	Market
Total	<u>\$15,696,144</u>	<u>\$16,810,785</u>	

Statement 7 - Form 990, Part IV, Line 56 - Other Investments

Description	Beginning of Year	End of Year	Basis of Valuation
Van Dusen Investments (Held by Comm Found of SE Mich)	\$ 2,889,341	\$ 3,067,361	Market
Investment in Silver Maples	213,963	396,747	Market
Total	<u>\$ 3,103,304</u>	<u>\$ 3,464,108</u>	

Federal Statements**Statement 8 - Form 990, Part IV, Line 57 - Land, Buildings, and Equipment**

Description	Beginning of Year	Accum Depr	End of Year	Accum Depr
Land Improvements	\$ 2,531,703	\$ 1,688,877	\$ 2,513,104	\$ 1,728,941
Buildings	40,517,254	18,819,473	41,285,493	19,740,072
Building Improvements	10,561,703	5,622,144	9,879,363	4,951,563
Data Processing Equipment	344,773	190,728	380,729	205,585
Vehicles	220,747	213,291	218,623	174,286
Furniture and Fixtures	11,400,000	6,872,045	11,367,023	6,581,089
Construction in Progress	991,092		1,242,161	
Land	1,589,884		2,275,629	
Total	<u>\$68,157,156</u>	<u>\$33,406,558</u>	<u>\$69,162,125</u>	<u>\$33,381,536</u>

Statement 9 - Form 990, Part IV, Line 58 - Other Assets

Description	Beginning of Year	End of Year
Bond Proceeds	\$ 2,226,639	\$ 2,305,548
Beneficial Int. in Perpetual Trust	387,791	244,341
Total	<u>\$ 2,614,430</u>	<u>\$ 2,549,889</u>

Statement 10 - Form 990, Part IV, Line 65 - Other Liabilities

Description	Beginning of Year	End of Year
Liability under Split Interest Agree	\$ 369,094	\$ 378,144
Total	<u>\$ 369,094</u>	<u>\$ 378,144</u>

Federal Statements**Statement 12 - Schedule A, Part IV-A, Line 22 - Other Income**

<u>Description</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Other Miscellaneous Income	\$ <u>37,043</u>	\$ <u>36,084</u>	\$ <u>35,369</u>	\$ <u>72,943</u>
Total	\$ <u>37,043</u>	\$ <u>36,084</u>	\$ <u>35,369</u>	\$ <u>72,943</u>

Federal Statements**Form 990, Part I, Line 1b - Direct Public Support**

<u>Description</u>	<u>Cash</u>	<u>Noncash</u>	<u>Total</u>
Contributions from Schedule B	\$ 361,083	\$	\$ 361,083
	830,560		830,560
Total	<u>\$ 1,191,643</u>	<u>\$ 0</u>	<u>\$ 1,191,643</u>

Federal Statements**Schedule A, Part IV, Line 27a - Support from Disqualified Persons**

<u>Donor Name</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
	<u>58,300</u>	<u>53,038</u>	<u>58,332</u>	<u>22,200</u>
Total	<u>58,300</u>	<u>53,038</u>	<u>58,332</u>	<u>22,200</u>