

## 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 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 the 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 the Issuer is located).

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Provide 9-digit CUSIP\* numbers to which the information relates:


### 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):

Abilene Health Facilities Development Corporation; Red River Health Facilities Development Corporation

Other Obligated Person's Name (if any): Sears Methodist Retirement System Obligated Group Project

(exactly as it appears on the Official Statement Cover)

Provide six-digit CUSIP\* number(s) of Issuer: See Attached

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

### Type of Filing:

(X) Electronic (number of pages attached) 4

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

If information is also available on the Internet, give URL: \_\_\_\_\_

**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 Year Covered: \_\_\_\_\_

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

Fiscal Year Covered: \_\_\_\_\_

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

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

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

E. ☒ Other Secondary Market Information (specify): Sears Methodist Obligated Group Disclosure 2013 Annual Financial Information

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

**Issuer Contact:**

Name \_\_\_\_\_ Title \_\_\_\_\_

Employer \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

Telephone \_\_\_\_\_ Fax \_\_\_\_\_

Email Address \_\_\_\_\_ Issuer Web Site \_\_\_\_\_

**Dissemination Agent Contact, if any:**

Name \_\_\_\_\_ Title \_\_\_\_\_

Employer \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

Telephone \_\_\_\_\_ Fax \_\_\_\_\_

Email Address \_\_\_\_\_ Relationship to Issuer \_\_\_\_\_

**Obligor Contact, if any:**

Name Randal Crosswhite Title Interim CFO

Employer Sears Methodist Retirement System, Inc.

City Abilene, TX State TX Zip Code 79606

Telephone 325-691-5519 Fax 325-698-4582

Email Address rcrosswhite@sears-methodist.com Obligor Web Site www.sears-methodist.com

**Investor Relations Contact, if any:**

Name \_\_\_\_\_ Title \_\_\_\_\_

Telephone \_\_\_\_\_ Email Address \_\_\_\_\_

## CUSIPS

### Series 1998A

003453AJ6  
003453AK3  
003453AL1  
003453AM9  
003453AN7  
003453AP2

### Series 1998B

003453AA5  
003453AU1

### Series 1999

003453AW7  
003453AX5  
003453AY3

### Series 2003

003453BB2  
003453BC0  
003453BD8  
003453BE6  
003453BF3  
003453BG1  
003453BH9  
003453BJ5  
003453BK2  
003453BL0  
003453BM8  
003453BP1  
003453BN6

### Series 2013

75687DAQ6  
75687DAR4  
75687DAP8  
75687DAH6  
75687DAJ2  
75687DAK9  
75687DAL7  
75687DAM5  
75687DAN3

**SEARS METHODIST RETIREMENT SYSTEM, INC.**  
**COMBINING BALANCE SHEET – OBLIGATED GROUP**  
**DECEMBER 31, 2013**

<b>ASSETS</b>	<b>Sears Methodist Retirement System, Inc</b>	<b>Sears Methodist Foundation</b>	<b>Sears Methodist Centers, Inc.</b>	<b>Sears Panhandle Retirement Corporation</b>
<b>CURRENT ASSETS</b>				
Cash and Cash Equivalents	\$ 3,851,418	\$ 8,243,413	\$ (1285,425)	\$ (2,969,708)
Accounts Receivable	49,293	50	148,186	1,335,743
Current Portion of Assets Limited as to Use	1,545,351	-	359,900	7,449
Other Current Assets	125,691	-	30,700	44,920
Total Current Assets	<u>5,571,753</u>	<u>8,243,463</u>	<u>(746,639)</u>	<u>(1,581,596)</u>
<b>ASSETS LIMITED AS TO USE</b>	8,383,721	3,567,659	-	-
<b>PROPERTY AND EQUIPMENT</b>	1,869,920	-	28,327,288	25,505,277
<b>OTHER ASSETS</b>				
Deferred Financing Costs, Net	2,469,193	-	-	-
Deferred Marketing Costs	-	-	-	-
Other Investments	681,937	-	-	-
Investment in Sears Methodist Foundation	11,395,962	-	715,977	1,356,403
Investment in Southwest Assurance Co., Ltd	300,000	-	-	-
Due from Related Party	2,811,811	(399,714)	(806,381)	121,928
Note Receivable - Related Party	-	1,908,014	-	-
Other Assets	204,924	153,982	-	-
Total Other Assets	<u>17,863,827</u>	<u>1,662,282</u>	<u>(90,404)</u>	<u>1,478,331</u>
<b>Total Assets</b>	<u>\$ 33,689,221</u>	<u>\$ 13,473,404</u>	<u>\$ 27,490,245</u>	<u>\$ 25,402,012</u>
<b>LIABILITIES AND NET ASSETS (DEFICIT)</b>				
<b>CURRENT LIABILITIES</b>				
Current Maturities of Long-Term Debt	\$ -	\$ -	\$ 275,464	\$ -
Accounts Payable	1,128,219	17,066	637,187	603,527
Construction Payable	-	-	-	-
Accrued Expenses	1,241,974	-	180,999	245,933
Deferred Revenue	-	-	-	-
Resident Security Deposits	-	-	145,312	74,774
Total Current Liabilities	<u>2,370,192</u>	<u>17,066</u>	<u>1,248,962</u>	<u>924,234</u>
<b>LONG-TERM DEBT (Net of Current Maturities Shown Above)</b>	100,548,723	-	-	-
<b>OTHER LIABILITIES</b>				
Refundable Residency Fees Payable	-	-	10,248,139	7,918,236
Deferred Revenue from Residency Fees	91666	-	601,082	592,118
Deferred Compensation	210,741	-	-	-
Charitable Gift Annuities Payable, Net of Current Portion	-	128,475	-	-
Interest Rate Swap Agreement	-	-	-	-
Total Other Liabilities	<u>302,407</u>	<u>128,475</u>	<u>10,849,221</u>	<u>8,510,354</u>
<b>Total Liabilities</b>	<u>103,221,322</u>	<u>145,541</u>	<u>12,098,183</u>	<u>9,434,588</u>
<b>CONTINGENCIES AND COMMITMENTS</b>				
<b>NET ASSETS (DEFICIT)</b>				
Unrestricted	(69,532,101)	11,560,428	15,392,062	15,967,424
Temporarily Restricted	-	-	-	-
Permanently Restricted	-	1,767,435	-	-
Total Net Assets (Deficit)	<u>(69,532,101)</u>	<u>13,327,863</u>	<u>15,392,062</u>	<u>15,967,424</u>
<b>Total Liabilities and Net Assets (Deficit)</b>	<u>\$ 33,689,221</u>	<u>\$ 13,473,404</u>	<u>\$ 27,490,245</u>	<u>\$ 25,402,012</u>

Parks Methodist Retirement Village	Sears Brazos Retirement Corporation	Eliminating Entries	Total Obligated Group
\$ (6,962,334)	\$ (5,820)	\$ -	\$ 871,544
1,170,148	-	-	2,703,420
8,384	-	-	1,921,084
1,585	-	-	202,896
(5,782,217)	(5,820)	-	5,698,944
-	-	-	11,951,380
10,442,518	-	-	66,145,003
-	-	-	2,469,193
-	-	-	-
217,554	-	-	899,491
2,463,404	100	(15,931,846)	-
-	-	-	300,000
200,610	(19,157)	-	1,909,097
-	-	(1,908,014)	-
50,000	-	-	408,906
2,931,568	(19,057)	(17,839,860)	5,986,687
\$ 7,591,869	\$ (24,877)	\$ (17,839,860)	\$ 89,782,014
\$ -	\$ -	\$ -	\$ 275,464
746,020	242	-	3,132,260
-	-	-	-
198,170	-	-	1,877,076
-	-	-	-
36,368	-	-	256,454
980,558	242	-	5,541,254
-	-	(1,908,014)	98,640,709
3,616,342	-	-	21,782,717
180,665	-	-	1465,531
-	-	-	210,741
-	-	-	128,475
-	-	-	-
3,797,007	-	-	23,587,464
4,777,565	242	(1,908,014)	127,769,427
2,814,304	(25,119)	(15,931,846)	(39,754,848)
-	-	-	-
-	-	-	1,767,435
2,814,304	(25,119)	(15,931,846)	(37,987,413)
\$ 7,591,869	\$ (24,877)	\$ (17,839,860)	\$ 89,782,014

**SEARS METHODIST RETIREMENT SYSTEM, INC.**  
**COMBINING STATEMENT OF CHANGES IN NET ASSETS - OBLIGATED GROUP**  
**YEAR ENDED DECEMBER 31, 2013**

	SEARS Methodist Retirement System, Inc.	SEARS Methodist Foundation	SEARS Methodist Centers, Inc.	SEARS Parhandle Retirement Corporation	PARKS Methodist Retirement Village	SEARS Brazos Retirement Corporation	Eliminating Entries	Total Obligated Group
<b>OPERATING REVENUE</b>								
Resident Service	\$ -	\$ 7,629	\$ 7,104,024	\$ 12,847,774	\$ 7,271,542	\$ -	\$ -	\$ 27,240,969
Amortization of Residency Fees	-	(40,142)	-	10,600	-	-	-	70,458
Management Fees	4,448,000	-	-	-	-	-	(1,692,380)	2,755,620
Net Assets Released from Restriction	-	(215,412)	-	-	-	-	-	(215,412)
Other Operating Revenue	-	2,976	106,960	205,663	22,420	-	-	338,039
Total Operating Revenue	4,448,000	(234,949)	7,210,984	13,054,037	7,293,962	-	(1,692,380)	30,189,654
<b>OPERATING EXPENSE</b>								
Nursing	-	-	1,106,547	4,353,864	3,401,695	-	-	8,862,106
Dietary	-	-	965,616	1,312,934	895,642	-	-	3,174,192
Activity Services	-	-	105,982	276,633	89,956	-	-	412,571
Social Services	-	-	292,329	468,093	67,209	-	-	827,631
Environmental Services and Utilities	442,140	-	844,359	815,788	560,195	-	-	2,662,482
Consultant Services	-	-	42,761	-	444,905	-	-	487,666
General and Administrative	3,542,817	365,669	1,145,704	2,060,152	1,289,919	-	(1,692,380)	6,711,881
Risk Management and Training	17,328	1,150	17,063	95,419	65,144	-	-	186,104
Marketing and Admissions	12,431	(63,779)	53,226	103,984	20,965	-	-	126,827
Employee Benefits	363,745	120	478,754	782,385	445,781	-	-	2,017,785
Interest Expense	5,656,653	40,265	1,729	2,532	3,284	-	-	5,704,463
Depreciation and Amortization	102,780	-	1,050,959	1,282,872	678,564	-	-	3,053,175
Total Operating Expenses	10,167,894	343,425	6,046,029	11,494,656	7,901,259	-	(1,692,380)	34,230,883
<b>OPERATING INCOME (LOSS)</b>	(5,689,894)	(578,374)	1,664,955	1,669,381	(607,297)	-	-	(4,041,229)
<b>OTHER INCOME (EXPENSE)</b>								
Unrealized Gain on Investments	(75,464)	10,287	-	-	-	-	-	(65,177)
Realized Loss on Investments	-	-	(1,148)	1,527	(719)	-	-	116,826
Investment Income	10,167	6,999	-	-	-	-	-	813,457
Contributions	248,565	564,592	-	-	(39,739)	-	-	(152,977)
Grant Revenue-Net of Expenses	(113,408)	(53)	-	223	(2,871)	-	-	(23,737)
Other Revenue (Expenses)	(32)	-	(20,834)	-	-	-	-	-
Impairment Loss on Long-Lived Assets	-	-	-	-	-	-	-	-
Change in the Investment in Sears Methodist Foundation	252,120	-	(19,780)	2,076	44,294	-	(278,710)	-
Transfers from Sears Methodist Foundation	7,507	-	15,680	64,790	8,228	-	-	96,205
Debt Service Payments	5,900,000	-	(1800,000)	(3,500,000)	(600,000)	-	-	-
Bad Debt Expense - Related Party	-	-	-	-	-	-	-	-
Change in Valuation of Interest Rate Swap	97,488	-	-	-	-	-	-	97,488
Loss on Refinancing	(2,773,055)	-	-	-	-	-	-	-
Total Other Income (Expense)	3,653,888	581,825	(1,826,082)	(3,431,384)	(590,807)	-	(278,710)	881,785
<b>EXCESS (DEFICIT) OF REVENUE OVER EXPENSE</b>	(2,036,006)	3,451	(661,127)	(1,762,003)	(1,198,104)	-	(278,710)	(3,159,444)
Equity Transfer (to) from Affiliates	-	-	-	-	-	-	-	-
<b>CHANGE IN UNRESTRICTED NET ASSETS FROM CONTINUING OPERATIONS</b>	(2,036,006)	3,451	(661,127)	(1,762,003)	(1,198,104)	-	(278,710)	(3,159,444)
Gain (Loss) from Discontinued Operations	-	-	223,774	-	-	(20,743)	(203,031)	-
<b>CHANGE IN UNRESTRICTED NET ASSETS</b>	\$ (2,036,006)	\$ 3,451	\$ (437,353)	\$ (1,762,003)	\$ (1,198,104)	\$ (20,743)	\$ (481,741)	\$ (3,159,444)

(62)