

# 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):

\$17,860,000

Gaylord Hospital Finance Authority

Hospital Revenue and Refunding Bonds, Series 2004

Otsego Memorial Hospital Association Obligated Group

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

368177AB7

368177AC5

368177AD3

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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) 9  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 – May 2010 (FY2010M05)

F.  Other Secondary Market Information (Specify): 13-Week Cash Flow Forecast and Assumptions as of June 23, 2010

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 Thomas R. Lemon, FACHE Title Chief Executive Officer  
Employer Otsego Memorial Hospital  
Address 825 North Center Street City Gaylord State MI Zip Code 49735  
Telephone (989) 731-2215 Fax (989) 731-2217  
Email Address [Tlemon@otsegomemorialhospital.org](mailto:Tlemon@otsegomemorialhospital.org) Obligor Web Site Address [www.otsegomemorialhospital.org](http://www.otsegomemorialhospital.org)

**Investor Relations Contact, if any:**

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

# OTSEGO MEMORIAL HOSPITAL ASSOCIATION

## FINANCIAL STATEMENTS

FY2010M05

<i>Obligated Group Balance Sheet</i> ( <i>\$000s omitted</i> )		
	<i>At May 31</i>	<i>At December 31</i>
	<i>2010</i>	<i>2009</i>
	<i>Unaudited</i>	<i>Audited</i>
Cash, Cash Equivalents and Short-Term Investments <sup>1</sup>	2,411	196
Net Patient Accounts Receivable	5,673	6,844
Current Assets Limited as to Use	0	638
Prepaid Expenses and Other Current Assets	<u>2,798</u>	<u>2,543</u>
Total Current Assets	10,882	10,220
Investments <sup>1</sup>	1,108	4,942
Net Property and Equipment	27,089	27,684
Non-Current Assets Limited as to Use	1,720	1,658
Other Non-Current Assets	<u>1,463</u>	<u>1,570</u>
Total	42,263	46,073
Current Portion of Long-Term Debt	918	22,585
Short-Term Indebtedness	401	3,384
Accounts Payable	3,394	4,704
Estimated Third-Party Payor Settlements	0	0
Accrued Liabilities and Other	<u>3,480</u>	<u>2,695</u>
Total Current Liabilities	8,192	33,368
Long-Term Debt	21,295	0
Other Non-Current Liabilities	617	570
Net Assets	<u>12,158</u>	<u>12,136</u>
Total	42,263	46,073

<sup>1</sup> Corresponds to the definition of "Financial Assets" in the Master Indenture, and used in "Days' Cash on Hand" calculations

**Obligated Group Statement of Operations**  
**(\$000s omitted)**

	<i>Five Months Ended May 31</i>		
	<i>2010</i>	<i>2010</i>	<i>2009</i>
	<i>Actual</i>	<i>Budget</i>	<i>Actual</i>
Gross Patient Service Revenue	43,609	45,062	39,798
Contractual Allowances and Other Deductions	<u>(17,729)</u>	<u>(18,915)</u>	<u>(16,005)</u>
Net Patient Service Revenue	25,880	26,147	23,793
Other Operating Revenue	<u>1,345</u>	<u>1,477</u>	<u>1,506</u>
Total Operating Revenue	27,225	27,624	25,299
Salaries and Wages	11,817	11,759	12,001
Employee Benefits	3,460	2,686	3,109
Supplies and Expenses	9,276	9,400	9,324
Depreciation Expense	817	950	794
Interest Expense	621	614	690
Provision for Uncollectible Accounts	<u>1,333</u>	<u>1,177</u>	<u>1,132</u>
Total Operating Expenses	27,323	26,585	27,049
Income from Operations	(99)	1,039	(1,750)
Net Nonoperating Revenue (Loss)	<u>120</u>	<u>236</u>	<u>150</u>
Excess of Revenue over Expenses	22	1,275	(1,600)

<b><i>Obligated Group Statement of Cash Flows</i></b> <b><i>(\$000s omitted)</i></b>		
	<b><i>Five Months Ended May 31</i></b>	<b><i>FY2009</i></b>
	<b><i>Unaudited</i></b>	<b><i>Audited</i></b>
<b>Operating Activities</b>		
Cash Received from Patients and Third-Party Payors	25,717	62,316
Cash Paid to Suppliers and Employees	(27,640)	(66,095)
Investment Income Received	84	249
Interest Paid	(621)	(1,541)
Other Operating Receipts	860	1,050
Net Cash Provided (Used) by Operating Activities	(1,599)	(4,021)
<b>Investing Activities</b>		
Purchases of Property and Equipment	(223)	(549)
Proceeds from Disposal of Property and Equipment	-	5
(Purchases) of Investments	-	(2,383)
Sales and Maturities of Investments	-	4,295
Change in Assets Limited as to Use	4,408	-
Proceeds from Life Insurance Contracts	-	0
Net Distribution from Joint Ventures	-	<u>100</u>
Net Cash Provided (Used) by Investing Activities	4,186	1,468

<i>Obligated Group Statement of Cash Flows</i> <i>(\$000s omitted)</i>		
	<i>Five Months Ended May 31</i>	<i>FY2009</i>
	<i>Unaudited</i>	<i>Audited</i>
<b>Financing Activities</b>		
Proceeds from Issuance of Debt Obligations	0	3,596
Principal Repayments on Debt Obligations	(372)	(2,087)
Proceeds from Restricted Contributions	<u>0</u>	<u>0</u>
Net Cash Provided (Used) by Financing Activities	(372)	1,509
<b>Net Increase (Decrease) in Cash</b>	2,215	(1,044)
Cash and Cash Equivalents – Beginning of Period	196	1,240
Cash and Cash Equivalents – End of Period	2,411	196

# OTSEGO MEMORIAL HOSPITAL ASSOCIATION

## SERVICE VOLUMES AND UTILIZATION

FY2010M05

<i>Historical Acute Care Utilization (excludes newborns)</i>			
	<i>Five Months Ended May 31</i>		
	<i>2010</i>	<i>2010</i>	<i>2009</i>
	<i>Actual</i>	<i>Budget</i>	<i>Actual</i>
Days in Period	151	151	151
Licensed Beds	46	46	46
Staffed Beds	39	39	39
Admissions	763	741	775
Patient Days	2,415	2,334	2,415
Births	95	111	125
Average Daily Census	16.0	15.5	16.0
Average Length of Stay	3.2	3.2	3.1
Occupancy Rate <sup>1</sup> (%)	41.0	39.6	41.0
<sup>1</sup> Based on Staffed Beds			

<i>McReynolds Hall (Skilled Nursing) Utilization</i>			
	<i>Five Months Ended May 31</i>		
	<i>2010</i>	<i>2010</i>	<i>2009</i>
	<i>Actual</i>	<i>Budget</i>	<i>Actual</i>
Days in Period	151	151	151
Licensed and Staffed Beds	34	34	34
Patient Days	4,509	4,559	4,465
Average Daily Census	29.9	30.2	29.6
Occupancy Rate	87.8	88.8	87.0

<b><i>Outpatient Volumes</i></b>				
		<b><i>Five Months Ended May 31</i></b>		
		<b><i>2010</i></b>	<b><i>2010</i></b>	<b><i>2009</i></b>
		<b><i>Actual</i></b>	<b><i>Budget</i></b>	<b><i>Actual</i></b>
ED Patients		5,120	5,109	5,238
MedCare Encounters		6,178	5,450	5,430
Employed Physician Encounters	OMH Medical Group	28,682	29,068	26,545
	Montmorency Clinic	3,664	4,241	3,398
	Orthopedic Surgeons	5,126	5,648	5,167
	Total	37,472	38,957	35,110
Outpatient Registrations		26,793	29,353	29,506

<b><i>Surgical and Other Procedures</i></b>				
		<b><i>Five Months Ended May 31</i></b>		
		<b><i>2010</i></b>	<b><i>2010</i></b>	<b><i>2009</i></b>
		<b><i>Actual</i></b>	<b><i>Budget</i></b>	<b><i>Actual</i></b>
Inpatient Surgeries		290	322	334
Outpatient	Surgeries	1,608	1,740	1,665
	Other Procedures	1,757	1,886	1,836
	Total Outpatient	3,365	3,626	3,501
Grand Total		3,655	3,948	3,835
Percent Outpatient		92.1%	91.8%	91.3%

<i>Ancillary Services</i>			
<i>(the Corporation no longer distinguishes between ancillary services provided to inpatients and outpatients in its record-keeping)</i>			
	<i>Five Months Ended May 31</i>		
	<i>2010</i>	<i>2010</i>	<i>2009</i>
	<i>Actual</i>	<i>Budget</i>	<i>Actual</i>
Laboratory Orders	110,266	113,674	92,694
Electrocardiology Procedures	3,298	4,277	3,139
General Radiology Examinations	8,488	8,837	8,590
Ultrasound Examinations	1,663	1,545	1,336
Mammography Examinations	1,028	1,144	1,106
Nuclear Medicine Examinations	896	1,740	971
CT Scan Examinations	2,710	3,800	2,678
MRI Examinations	1,160	1,233	1,106
Cardio-Pulmonary Procedures	11,492	11,647	11,635
Physical Therapy Procedures	10,392	13,380	12,094
Occupational Therapy Procedures	7,259	6,830	5,655
Cardiac Rehabilitation Visits	2,722	2,718	2,186

Otesgo Memorial Hospital & Foundation  
13 Week Cash Flow Forecast  
Management Assumptions

Actual	1	2	3	4	5	6	7	8	9	10	11	12	13	Total	
6/14/10	8/21/10	8/28/10	7/15/10	7/12/10	7/19/10	7/26/10	8/2/10	8/9/10	8/16/10	8/23/10	8/30/10	9/6/10	9/13/10	9/19/10	
Ending	Ending	Ending	Ending	Ending	Ending	Ending	Ending	Ending	Ending	Ending	Ending	Ending	Ending	Ending	
Opening Operating Cash Balance	1,045,482	84,513	403,891	0	547,171	(0)	741,478	147,891	984,163	181,282	544,252	(0)	594,898	(297,529)	94,513
<b>Cash Receipts:</b>															
Blue Cross - BIP - Weekly	234,900	234,900	234,900	234,900	234,900	234,900	234,900	234,900	234,900	234,900	234,900	234,900	234,900	234,900	234,900
Medicare - PIP - BI - Weekly	0	218,731	0	218,731	0	218,731	0	218,731	0	218,731	0	218,731	0	218,731	218,731
Medicaid - MIP - BI - Weekly	62,555	0	62,555	0	62,555	0	62,555	0	62,555	0	62,555	0	62,555	62,555	62,555
Medicaid - CIP - BI - Weekly	181,884	0	1,000	0	1,000	0	1,000	0	1,000	0	1,000	0	1,000	1,000	1,000
Commercial	191,984	260,450	208,450	260,562	260,562	260,562	260,562	260,562	260,562	260,562	260,562	260,562	260,562	260,562	260,562
Medicare Part B & Outpat pay	51,752	132,773	108,219	132,773	132,773	132,773	132,773	132,773	132,773	132,773	132,773	132,773	132,773	132,773	132,773
PMB & Clinic	153,411	195,056	333,845	195,056	195,056	195,056	195,056	195,056	195,056	195,056	195,056	195,056	195,056	195,056	195,056
Self Pay & Other	91,189	68,972	55,178	68,972	68,972	68,972	68,972	68,972	68,972	68,972	68,972	68,972	68,972	68,972	68,972
Medicaid Other	28,900	44,135	35,308	44,135	44,135	44,135	44,135	44,135	44,135	44,135	44,135	44,135	44,135	44,135	44,135
Medicaid QAAP	0	35,666	0	35,666	0	35,666	264,361	0	0	0	0	0	0	0	371,359
Dividend Distribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfers from Foundation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfers from QAAP Account	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfers from Funded Depreciation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfers from Funded Settlements	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfers from cost report settlements	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Miscellaneous	396	27,871	22,296	27,871	396,889	197,871	27,871	197,871	27,871	27,871	27,871	22,296	27,871	27,871	685,565
Total Cash Receipts	806,497	1,183,000	1,403,176	1,037,126	1,151,934	1,233,490	1,447,361	1,197,824	1,163,000	1,167,434	1,163,000	935,178	1,183,000	1,183,000	15,861,406
<b>Cash Disbursements:</b>															
Operating supplies	17,484	18,449	18,449	18,449	18,449	18,449	18,449	18,449	18,449	18,449	18,449	18,449	18,449	18,449	239,837
Medical Supplies & Pharmacy	126,091	233,519	130,285	142,403	142,403	142,403	142,403	142,403	142,403	142,403	142,403	142,403	142,403	142,403	2,359,647
Purchased Services	129,795	33,206	33,206	33,206	33,206	33,206	33,206	33,206	33,206	33,206	33,206	33,206	33,206	33,206	431,674
Professional Fees	3,414	16,600	16,600	16,600	16,600	16,600	16,600	16,600	16,600	16,600	16,600	16,600	16,600	16,600	215,600
Utilities	170,536	115,089	115,089	115,089	115,089	115,089	115,089	115,089	115,089	115,089	115,089	115,089	115,089	115,089	1,486,157
Insurance	0	93,606	70,615	14,991	0	0	0	0	0	0	0	0	0	0	240,340
Other expenses	42,315	40,359	40,359	40,359	40,359	40,359	40,359	40,359	40,359	40,359	40,359	40,359	40,359	40,359	524,670
Payroll & Employee Taxes	1,173,737	0	1,168,518	0	1,176,518	0	1,176,518	0	1,176,518	0	1,176,518	0	1,176,518	0	7,049,108
Equipment Lease	0	0	23,414	0	0	0	23,414	0	0	0	0	0	0	0	70,242
5/3 Bond Principal & Interest	0	0	84,489	0	0	0	84,489	0	0	0	0	0	0	0	253,941
Wells Fargo Bond Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	253,757
CAPEX	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Additional Professional Fees	3,257	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	26,000
Health Insurance	0	380,455	45,100	0	324,102	45,100	0	0	10,000	0	17,500	0	0	0	102,500
Funded Depreciation	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	1,163,859
Fortran Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
QAAP Taxes	65,482	0	0	0	65,600	0	0	0	232,700	0	0	0	0	0	363,900
Prior Year's Potential Medicare Settlement	0	0	0	0	0	0	0	0	0	0	0	0	0	0	57,000
Bank Fees	355	0	0	0	6,000	0	0	6,000	0	0	0	0	0	0	18,000
Other	0	8,944	8,952	8,734	7,080	9,380	92,822	9,080	92,822	9,080	9,080	9,080	9,080	9,080	283,045
Total Cash Disbursements	1,757,466	873,621	1,813,067	489,855	1,699,105	838,410	1,826,876	611,189	2,000,705	820,030	1,711,666	588,101	1,827,605	473,428	15,573,878
Operating Cash Flow	(950,969)	309,378	(403,891)	547,171	(547,171)	741,478	(593,487)	836,172	(602,881)	362,970	(544,252)	(0)	594,898	(892,427)	317,530
Ending Operating Cash Balance	94,513	403,891	0	547,171	(0)	741,478	147,891	984,163	181,282	544,252	(0)	594,898	(297,529)	412,043	
QAAP Cash Balance - PNC	400,692	400,692	86,932	130,032	5,922	67,922	111,022	111,022	111,022	111,022	7,078	15,978	0	0	0
Total Operating - QAAP Cash Balance	485,205	804,583	86,932	677,203	5,922	747,400	215,913	1,095,185	282,304	655,274	7,078	610,876	(297,529)	412,043	
<b>Additional Cash Balances</b>															
Funded Depreciation	1,106,153	1,106,153	1,106,153	1,106,153	1,106,153	1,106,153	1,106,153	1,106,153	1,106,153	1,106,153	1,106,153	1,106,153	1,106,153	1,106,153	1,106,153
Foundation Cash	221,347	226,347	231,347	236,347	241,347	246,347	251,347	256,347	261,347	266,347	271,347	276,347	281,347	286,347	286,347
Foundation Investments	936,178	936,178	936,178	936,178	936,178	936,178	936,178	936,178	936,178	936,178	936,178	936,178	936,178	936,178	936,178
Total Other Fund Balances	2,264,278	2,264,278	2,264,278	2,264,278	2,264,278	2,264,278	2,264,278	2,264,278	2,264,278	2,264,278	2,264,278	2,264,278	2,264,278	2,264,278	2,264,278
Total Cash	2,799,463	3,075,861	2,381,210	2,956,481	2,290,200	3,038,678	2,510,181	3,394,463	2,966,582	2,364,582	2,321,556	2,026,749	2,741,321	2,741,321	2,741,321
Short-Term Debt - Margin Loan	327,360	302,360	277,360	252,360	227,360	202,360	177,360	152,360	127,360	102,360	77,360	52,360	27,360	2,360	2,360
Total Cash less Short-Term Debt	2,432,123	2,771,501	2,083,850	2,704,121	2,062,840	2,836,318	2,332,821	3,242,103	2,839,222	2,262,222	2,243,996	1,995,389	2,738,961	2,738,961	2,738,961
Cumulative Average Daily Cash Expenses	180,788					184,324									184,324
Days on Hand															12
Note: Float	355,853														
Total Cash in Bank less ST Debt plus float	3,707,312														
Cash in Bank - Operating	451,346														

**Otsego Memorial Hospital & Foundation**

**13 Week Cash Flow Forecast**

Assumptions and detailed additions/deletions  
as of June 23, 2010

<b>Cash Receipts:</b>		
Updated cash receipts		Due to holiday scheduling WE 9/12 is a 4 day cash receipt week
Medicaid - CIP - Bi-Weekly		The semi-monthly CIP rate changed effective June 23, 2010. Changed from \$1,500 to \$1,000
PMB & Clinic		PMB and clinic cash receipts for WE 7-4 forecast an increase to the RHC quarterly payment and a retroactive payment for first quarter
Miscellaneous		Charge capture review performed, by outside vendor, estimates OMH will receive additional cash receipts of \$170,000 net of vendor fee. This is forecasted to be received WE 8/1 and 8/15. Current estimate maybe revised as new information is received.
<b>Cash Disbursements</b>		
PY Potential Medicare Cost report settlement		Updated FY 2007 and 2008 Medicare cost report estimated settlements of \$57,000 to WE 9/19
Salary & Wage		Physician contractual increases forecasted to increase WE 7/18