

# 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

---

**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

---

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

If information is also available on the Internet, give URL: [www.firstriver.com](http://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: January – November 2010 (FY2010M11)

F.  Other Secondary Market Information (Specify): 13-Week Cash Flow Forecast and Assumptions as of January 2, 2011

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 L. 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](mailto:aronson@firstriver.com) Relationship to Issuer Dissemination Agent

**Obligor Contact, if any:**

Name Robert J. Courtois, CPA, CIA Title Chief Financial Officer  
Employer Otsego Memorial Hospital  
Address 825 North Center Street City Gaylord State MI Zip Code 49735  
Telephone (989) 731-2238 Fax (989) 731-2217  
Email Address [rcourtois@otsegohospital.org](mailto:rcourtois@otsegohospital.org) Obligor Web Site Address [www.otsegohospital.org](http://www.otsegohospital.org)

**Investor Relations Contact, if any:**

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

# OTSEGO MEMORIAL HOSPITAL ASSOCIATION

## FINANCIAL STATEMENTS

FY2010M11

<i>Obligated Group Balance Sheet (\$000s omitted)</i>			
	<i>At November 30</i>		<i>At December 31</i>
	<i>2010</i>	<i>2010</i>	<i>2009</i>
	<i>Unaudited</i>	<i>Forecast Model</i>	<i>Audited</i>
Cash, Cash Equivalents and Short-Term Investments <sup>1</sup>	2,335	1,688	196
Net Patient Accounts Receivable	4,938	5,390	6,844
Current Assets Limited as to Use	0	0	638
Estimated Third-Party Payor Settlements	1,998	1,550	560
Prepaid Expenses and Other Current Assets	<u>1,827</u>	<u>1,434</u>	<u>1,984</u>
Total Current Assets	11,098	10,062	10,220
Investments <sup>1</sup>	1,497	2,931	4,942
Net Property and Equipment	27,369	26,285	27,684
Non-Current Assets Limited as to Use	2,023	1,454	1,658
Other Non-Current Assets	<u>1,689</u>	<u>1,485</u>	<u>1,570</u>
Total	43,677	42,216	46,073
Current Portion of Long-Term Debt	22,263	21,758	22,585
Short-Term Indebtedness	0	0	3,384
Accounts Payable	3,968	3,069	4,704
Estimated Third-Party Payor Settlements	0	0	0
Accrued Liabilities and Other	<u>3,246</u>	<u>3,013</u>	<u>2,695</u>
Total Current Liabilities	29,477	27,840	33,368
Long-Term Debt	196	0	0
Other Non-Current Liabilities	855	732	570
Net Assets	<u>13,149</u>	<u>13,645</u>	<u>12,136</u>
Total	43,677	42,216	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>Eleven Months Ended November 30</i>		
	<i>2010</i>	<i>2010</i>	<i>2009</i>
	<i>Actual</i>	<i>Forecast Model</i>	<i>Actual</i>
Gross Patient Service Revenue	97,513	98,604	93,318
Contractual Allowances and Other Deductions	<u>(36,984)</u>	<u>(37,887)</u>	<u>(35,568)</u>
Net Patient Service Revenue	60,529	60,717	57,750
Other Operating Revenue	<u>961</u>	<u>924</u>	<u>1,048</u>
Total Operating Revenue	61,490	61,642	58,798
Salaries and Wages	26,191	26,400	26,520
Employee Benefits	7,331	7,586	7,339
Supplies and Expenses	20,973	20,184	22,284
Depreciation Expense	1,817	1,805	1,833
Interest Expense	1,387	1,341	1,400
Provision for Uncollectible Accounts	<u>3,120</u>	<u>2,983</u>	<u>2,552</u>
Total Operating Expenses	60,819	60,298	61,929
Income from Operations	672	1,344	(3,131)
Net Nonoperating Revenue (Loss)	<u>341</u>	<u>165</u>	<u>1,862</u>
Excess of Revenue over Expenses	1,013	1,509	(1,270)

<b><i>Obligated Group Statement of Cash Flows</i></b> <b><i>(\$000s omitted)</i></b>		
	<b><i>Eleven Months</i></b> <b><i>Ended November 30</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	59,314	62,316
Cash Paid to Suppliers and Employees	(60,109)	(68,100)
Depreciation and Amortization	1,817	2,005
Investment Income Received	260	249
Interest Paid	(1,387)	(1,541)
Other Operating Receipts (Disbursements)	(396)	1,050
Net Cash Provided (Used) by Operating Activities	(501)	(4,021)
<b>Investing Activities</b>		
Purchases of Property and Equipment	(1,502)	(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	5,214	-
Proceeds from Life Insurance Contracts	-	0
Distribution from (Investment in) Joint Ventures	<u>56</u>	<u>100</u>
Net Cash Provided (Used) by Investing Activities	3,767	1,468

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

	<i>Eleven Months Ended November 30</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	(1,127)	(2,087)
Proceeds from Restricted Contributions	<u>0</u>	<u>0</u>
Net Cash Provided (Used) by Financing Activities	(1,127)	1,509
<b>Net Increase (Decrease) in Cash</b>	2,139	(1,044)
Cash and Cash Equivalents – Beginning of Period	196	1,240
Cash and Cash Equivalents – End of Period	2,335	196

# OTSEGO MEMORIAL HOSPITAL ASSOCIATION

## SERVICE VOLUMES AND UTILIZATION

FY2010M11

<i>Historical Acute Care Utilization (excludes newborns)</i>			
	<i>Eleven Months Ended November 30</i>		
	<i>2010</i>	<i>2010</i>	<i>2009</i>
	<i>Actual</i>	<i>Forecast Model</i>	<i>Actual</i>
Days in Period	334	334	334
Licensed Beds	46	46	46
Staffed Beds	39	39	39
Admissions	1,544	1,644	1,649
Patient Days	4,749	5,510	5,117
Births	213	235	226
Average Daily Census	14.2	16.5	15.3
Average Length of Stay	3.1	3.4	3.1
Occupancy Rate <sup>1</sup> (%)	36.5	42.3	39.3
<sup>1</sup> Based on Staffed Beds			

<i>McReynolds Hall (Skilled Nursing) Utilization</i>			
	<i>Eleven Months Ended November 30</i>		
	<i>2010</i>	<i>2010</i>	<i>2009</i>
	<i>Actual</i>	<i>Forecast Model</i>	<i>Actual</i>
Days in Period	334	334	334
Licensed and Staffed Beds	34	34	34
Patient Days	9,849	10,035	10,205
Average Daily Census	29.5	30.0	30.6
Occupancy Rate	86.7	88.4	89.9

<b>Outpatient Volumes</b>				
		<b>Eleven Months Ended November 30</b>		
		<b>2010</b>	<b>2010</b>	<b>2009</b>
		<b>Actual</b>	<b>Forecast Model</b>	<b>Actual</b>
ED Patients		12,157	12,050	12,151
MedCare Encounters		13,961	15,826	12,943
Employed Physician Encounters	OMH Medical Group	63,874	61,136	60,084
	Montmorency Clinic	8,735	8,266	8,201
	Orthopedic Surgeons	11,460	11,138	11,726
	Total	84,069	80,540	80,011
Outpatient Registrations		61,434	62,367	64,875

<b>Surgical and Other Procedures</b>				
		<b>Eleven Months Ended November 30</b>		
		<b>2010</b>	<b>2010</b>	<b>2009</b>
		<b>Actual</b>	<b>Forecast Model</b>	<b>Actual</b>
Inpatient Surgeries		616	682	681
Outpatient	Surgeries	3,373	3,444	3,831
	Other Procedures	3,729	3,761	4,147
	Total Outpatient	7,102	7,205	7,978
Grand Total		7,718	7,887	8,659
Percent Outpatient		92.0%	91.4%	92.1%

<i>Ancillary Services</i>			
<i>(the Corporation no longer distinguishes between ancillary services provided to inpatients and outpatients in its record-keeping)</i>			
	<i>Eleven Months Ended November 30</i>		
	<i>2010</i>	<i>2010</i>	<i>2009</i>
	<i>Actual</i>	<i>Forecast Model</i>	<i>Actual</i>
Laboratory Orders	251,136	249,736	230,191
Electrocardiology Procedures	6,871	6,820	7,445
General Radiology Examinations	18,379	19,006	18,932
Ultrasound Examinations	3,676	3,787	3,264
Mammography Examinations	2,475	2,300	2,552
Nuclear Medicine Examinations	1,994	1,544	2,012
CT Scan Examinations	6,121	6,100	6,157
MRI Examinations	2,672	2,600	2,536
Cardio-Pulmonary Procedures	24,304	25,898	25,983
Physical Therapy Procedures	24,264	23,514	28,699
Occupational Therapy Procedures	16,422	15,173	14,850
Cardiac Rehabilitation Visits	6,331	5,878	6,046

**Otsego Memorial Hospital & Foundation**  
**13 Week Cash Flow Forecast**  
 Management Assumptions

	Actual	1	2	3	4	5	6	7	8	9	10	11	12	13	13 Week	
	12/27/10	1/3/11	1/10/11	1/17/11	1/24/11	1/31/11	2/7/11	2/14/11	2/21/11	2/28/11	3/7/11	3/14/11	3/21/11	3/28/11	Total	
Starting	Ending	1/2/11	1/9/11	1/16/11	1/23/11	2/6/11	2/13/11	2/20/11	2/27/11	3/6/11	3/13/11	3/20/11	3/27/11	4/3/11		
Opening Operating Cash Balance	307,527	999,818	1,342,981	254,204	997,632	464,344	1,078,722	458,593	1,335,247	717,324	1,434,159	412,728	1,238,383	620,459	999,818	
<b>Cash Receipts:</b>																
Blue Cross - BIP - Weekly	196,381	259,900	259,900	259,900	259,900	259,900	259,900	259,900	259,900	259,900	259,900	259,900	259,900	259,900	3,378,700	
Medicare - PIP - Bi - Weekly	206,174	266,517	0	266,517	0	266,517	0	266,517	0	266,517	0	266,517	0	266,517	1,865,619	
Medicaid - MIP - Bi - Monthly	0	65,816	0	65,816	0	65,816	0	65,816	0	65,816	0	65,816	0	65,816	460,712	
Medicaid - CIP - Bi-Weekly	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Commercial	231,312	260,060	260,060	260,060	260,060	260,060	260,060	260,060	260,060	260,060	260,060	260,060	260,060	260,060	3,380,780	
Medicare Part B & Outpat pay	84,373	143,035	143,035	143,035	143,035	143,035	143,035	143,035	143,035	143,035	143,035	143,035	143,035	143,035	1,859,455	
PMB & Clinic (all Rural Health Clinic prmts)	179,700	451,370	211,470	211,470	334,593	211,470	211,470	211,470	211,470	211,470	211,470	211,470	211,470	211,470	3,112,133	
Self Pay & Other	34,460	70,565	70,565	70,565	70,565	70,565	70,565	70,565	70,565	70,565	70,565	70,565	70,565	70,565	917,344	
Medicaid Other	37,782	38,488	38,488	38,488	38,488	38,488	38,488	38,488	38,488	38,488	38,488	38,488	38,488	38,488	500,342	
Medicaid QAAP / MACI	0	0	0	0	36,575	0	284,141	0	36,575	0	0	0	36,575	0	393,866	
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 Hospital Investments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
PIP, MIP & BIP, QAS review, lump sum adjustments	1,329,233	0	(38,488)	(104,304)	(38,488)	(65,816)	0	(65,816)	0	(65,816)	0	(65,816)	0	379,080	(65,464)	
Miscellaneous	37,293	35,000	35,000	35,000	65,875	65,875	65,875	65,875	65,875	65,875	65,875	65,875	65,875	65,875	763,750	
<b>Total Cash Receipts</b>	<b>2,336,708</b>	<b>1,590,751</b>	<b>980,030</b>	<b>1,246,547</b>	<b>1,170,603</b>	<b>1,315,910</b>	<b>1,333,534</b>	<b>1,315,910</b>	<b>1,085,968</b>	<b>1,315,910</b>	<b>1,049,393</b>	<b>1,315,910</b>	<b>1,085,968</b>	<b>1,760,806</b>	<b>16,567,237</b>	
<b>Cash Disbursements:</b>																
Operating supplies	6,953	18,808	70,808	18,808	18,808	18,808	18,808	18,808	18,808	18,808	18,808	18,808	18,808	18,808	296,504	
Medical Supplies & Pharmacy	305,356	469,616	56,698	118,698	118,698	118,698	118,698	118,698	118,698	118,698	118,698	118,698	118,698	118,698	2,306,992	
Purchased Services	21,085	43,850	121,225	143,240	43,850	163,450	93,850	71,225	43,850	163,850	43,850	121,225	43,850	163,850	1,261,165	
Professional Fees	3,492	8,562	8,562	8,562	8,562	8,562	8,562	8,562	8,562	8,562	8,562	8,562	8,562	8,562	111,306	
Facilities	44,878	72,207	35,876	71,859	71,859	71,859	85,876	71,859	71,859	71,859	85,876	71,859	71,859	71,859	926,566	
Insurance	0	15,000	82,914	0	26,000	0	26,000	0	26,000	82,914	0	26,000	0	26,000	258,828	
Other expenses	12,898	436,008	36,008	36,008	36,008	36,008	36,008	36,008	36,008	36,008	36,008	36,008	36,008	36,008	868,104	
Payroll & Employee Taxes	1,189,663	0	1,205,250	0	1,205,250	0	1,205,250	0	1,205,250	0	1,205,250	0	1,205,250	0	7,231,502	
Equipment Lease	0	23,414	0	0	0	23,414	0	0	0	23,414	0	0	0	23,414	93,656	
5/3 Bond Principal & Interest	0	83,842	0	0	0	83,715	0	0	0	83,588	0	0	83,461	334,605		
Wells Fargo Bond Interest	0	0	95,419	0	0	0	95,419	0	0	95,419	0	0	0	286,257		
CAPEX	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Additional Professional Fees	5,000	5,000	0	0	0	0	0	0	0	0	0	0	0	0	5,000	
Health Insurance	0	0	70,500	48,000	48,000	48,000	70,500	48,000	48,000	48,000	70,500	48,000	48,000	48,000	643,500	
Investments	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	650,000	
Forbearance Fee	0	0	0	0	-	25,000	0	0	0	25,000	0	0	0	25,000	75,000	
QAAP Taxes	0	0	219,305	0	0	0	66,556	1,593	0	66,556	1,593	0	0	355,601		
Bank Fees	0	0	8,000	0	0	19,150	0	8,000	0	8,000	0	8,000	0	43,150		
Other	2%	5,093	21,281	8,242	7,944	7,856	8,868	9,136	6,503	7,856	8,876	9,794	7,503	7,856	120,589	
<b>Total Cash Disbursements</b>	<b>1,644,417</b>	<b>1,247,588</b>	<b>2,068,807</b>	<b>503,119</b>	<b>1,703,891</b>	<b>701,532</b>	<b>1,953,663</b>	<b>439,256</b>	<b>1,703,891</b>	<b>599,075</b>	<b>2,070,823</b>	<b>490,256</b>	<b>1,703,891</b>	<b>682,535</b>	<b>15,868,326</b>	
Operating Cash Flow	692,291	343,163	(1,088,777)	743,428	(533,288)	614,378	(620,129)	876,654	(617,923)	716,835	(1,021,430)	825,654	(617,923)	1,078,270	698,912	
<b>Ending Operating Cash Balance</b>	<b>999,818</b>	<b>1,342,981</b>	<b>254,204</b>	<b>997,632</b>	<b>464,344</b>	<b>1,078,722</b>	<b>458,593</b>	<b>1,335,247</b>	<b>717,324</b>	<b>1,434,159</b>	<b>412,728</b>	<b>1,238,383</b>	<b>620,459</b>	<b>1,698,730</b>	<b>1,698,730</b>	
QAAP Cash Balance - PNC	355,200	364,100	401,350	401,350	401,350	447,500	484,750	484,750	484,750	484,750	493,650	530,900	530,900	530,900	530,900	
<b>Total Operating + QAAP Cash Balance</b>	<b>1,355,018</b>	<b>1,707,081</b>	<b>655,554</b>	<b>1,398,983</b>	<b>865,694</b>	<b>1,526,222</b>	<b>943,343</b>	<b>1,819,997</b>	<b>1,202,074</b>	<b>1,918,909</b>	<b>906,379</b>	<b>1,769,283</b>	<b>1,151,360</b>	<b>2,229,630</b>	<b>2,229,630</b>	
<b>Additional Cash Balances</b>																
Hospital Investments	1,777,341	1,827,341	1,877,341	1,927,341	1,977,341	2,027,341	2,077,341	2,127,341	2,177,341	2,227,341	2,277,341	2,327,341	2,377,341	2,427,341	2,427,341	
Foundation Cash	59,258	64,258	69,258	74,258	79,258	84,258	89,258	94,258	99,258	104,258	109,258	114,258	119,258	124,258	124,258	
Foundation Investments	1,002,276	1,002,276	1,002,276	1,002,276	1,002,276	1,002,276	1,002,276	1,002,276	1,002,276	1,002,276	1,002,276	1,002,276	1,002,276	1,002,276	1,002,276	
<b>Total Other Fund Balances</b>	<b>2,838,874</b>	<b>2,893,874</b>	<b>2,948,874</b>	<b>3,003,874</b>	<b>3,058,874</b>	<b>3,113,874</b>	<b>3,168,874</b>	<b>3,223,874</b>	<b>3,278,874</b>	<b>3,333,874</b>	<b>3,388,874</b>	<b>3,443,874</b>	<b>3,498,874</b>	<b>3,553,874</b>	<b>3,553,874</b>	
<b>Total Cash</b>	<b>4,193,893</b>	<b>4,600,956</b>	<b>3,604,429</b>	<b>4,402,857</b>	<b>3,924,569</b>	<b>4,640,097</b>	<b>4,112,218</b>	<b>5,043,872</b>	<b>4,480,948</b>	<b>5,252,783</b>	<b>4,295,253</b>	<b>5,213,157</b>	<b>4,650,234</b>	<b>5,783,504</b>	<b>5,783,504</b>	
<b>Cumulative Average Daily Cash Expenses</b>																
Days on Hand		26		25		26		28		30		29		33	33	
Note: Float (Ending Op Cash Bal vs Cash in Bank)	169,800															
Total Cash in Bank plus float	4,363,693															
Cash in Bank - Operating plus float	1,169,618															

**Otsego Memorial Hospital & Foundation**

**13 Week Cash Flow Forecast**

Assumptions and detailed additions/deletions  
as of January 02, 2011

<b>Cash Receipts:</b>		Cash boosted by receipt on 12/30/10 of \$1,329,233 for favorable Medicare PIP adjustment, in part due to gaining low volume hospital status.
		A favorable Blue Cross BIP adjustment is pending. \$800,000 is reflected on April 3rd until an actual date is determined.
		A \$750,000 unfavorable MIP adjustment of 2009 will be spread over 12 suspended MIP payments.
<b>Cash Disbursements:</b>		