

Municipal Secondary Market Disclosure Information Cover Sheet

This cover sheet should be sent with all submissions made to the Municipal Securities Rulemaking Board, Nationally Recognized Municipal Securities Information Repositories, and any applicable State Information Depository, whether the filing is voluntary or made pursuant to Securities and Exchange Commission rule 15c2-12 or any analogous state statute.

See www.sec.gov/info/municipal/nrmsir.htm for list of current NRMSIRs and SIDs

IF THIS FILING RELATES TO A SINGLE BOND ISSUE:

Provide name of bond issue exactly as it appears on the cover of the Official Statement
(please include name of state where issuer is located):

\$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) 6 Paper (number of pages attached) _____

If information is also available on the Internet, give URL: www.firstriver.com

WHAT TYPE OF INFORMATION ARE YOU PROVIDING? (Check all that apply)

A. Annual Financial Information and Operating Data pursuant to Rule 15c2-12
(Financial information and operating data should not be filed with the MSRB.)

Fiscal Period Covered: _____

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

Fiscal Period Covered: January – December 2008 (FY2008)

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.)

F. Other Secondary Market Information (Specify): FY2010Q1 Progress and Status of Implementation of Consultant's Recommendations (revised); 13-Week Cash Flow Forecast and Assumptions as of May 20, 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 Relationship to Issuer Dissemination Agent

Obligor Contact, if any:

Name Timothy G. Eckert Title Vice President of Finance
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 Teckert@otsegomemorialhospital.org Obligor Web Site Address www.otsegomemorialhospital.org

Investor Relations Contact, if any:

Name _____ Title _____
Telephone _____ Email Address _____

**Otsego Memorial Hospital
Wellspring Partners Implementation Project
FY2010Q1**

In February 2009 Otsego Memorial Hospital engaged Wellspring Partners to complete an assessment of the Hospital. The assessment report was delivered to the Otsego Memorial Hospital Board of Directors on April 28, 2009. Wellspring Partners identified potential operational improvement opportunities ranging between \$5,090,000 to \$6,755,000.

The Otsego Memorial Hospital Board of Directors approved the engagement of Wellspring Partners to assist with the implementation and monitoring of the operational opportunities. Wellspring Partners delivered the Implementation Engagement Completion letter on December 9, 2009, which outlined the scope of opportunities implemented with a value of \$5,347,737.

The table below identifies the scope of the opportunities implemented with the amount of annualized and one time benefits that Otsego Memorial Hospital has received and agreed as implemented.

Service Area	Low	High	Implemented	2010 1st Q Benefits
Non-Labor	\$600,000	\$840,000	\$736,734	\$200,975
Revenue Cycle	\$300,000	\$500,000	\$900,000*	\$137,849
Physician Services	\$490,000	\$840,000	\$956,000	\$237,269
Labor	\$1,700,000	\$2,100,000	\$2,755,000	\$6,306*
Total	\$3,090,000	\$4,280,000	\$5,347,734	\$582,399

Wellspring Partners provided the management of Otsego Memorial Hospital with monitoring tools to measure the ongoing compliance with the identified, implemented and monitored initiatives.

Listed below are the identified savings during FY2010Q1.

NON LABOR AND SUPPLIES

The Non-Labor team focused on the following operational areas: Purchased Services, Clinical Supplies, Food Services and Pharmacy. Wellspring Partners identified a wide range of opportunities to reduce the Non-Labor related costs ranging from \$600,000 to \$840,000. Based on the actual implementation the team identified a total of 42 initiatives in which 39 were implemented prior to the completion of FY2010Q1. The implemented initiatives have an annual savings opportunity of \$690,124.

Three remaining initiatives require implementation, which includes the following:

PS03 Reduce the Cost of Office Supplies \$18,118 To be implemented by 05/30

PS06	Reduce the Cost of Printing/Forms	\$21,313	To be implemented by 06/30
PS07	Reduce the Cost of Lease Agreements	\$7,174	Six lease agreements by 12/31

The Value Analysis Team has validated the ongoing compliance of the 39 implemented initiatives. During FY2010Q1 the implemented savings for the nonlabor initiatives total \$200,975. The FY2010Q1 savings was higher than estimated due to increased utilization of pharmaceuticals within the Oncology & Infusion Center. The utilization within the Oncology and Infusion Center had increased by 270% over the prior year.

REVENUE CYCLE

Wellspring Partners assisted Otsego Memorial Hospital to renegotiate the provisions of its agreement with Blue Cross Blue Shield of Michigan (BCBSM) with the results as follows. The Benefits estimates were based on the baseline period volumes of calendar year 2008. The final actual benefits realized on a month-to-month basis will be higher or lower based on actual utilization among BCBSM subscribers and associated charges.

The amended Letter of Agreement with BCBSM was executed on August 25, 2009 with a retroactive date to August 1, 2009. The reimbursement ratio, expressed as a percentage of charges, increased 4%. The estimated annual increase of \$900,000 was calculated by applying the increase in reimbursement to aggregate charges of \$22,500,000 to BCBSM subscribers during 2008.

However, it should be noted that aggregate charges to BCBSM during FY2010Q1 totaled \$4,461,145, a much lower annualized rate due to reductions in patient care volumes and billed charges generally. The net reimbursement impact of this measure was \$137,849.

Kevin Wahr, Otsego Memorial Hospital Chief Revenue Officer audited 41 BCBSM claims between the time periods of August 1, 2009 through March 31, 2010 has validated that reimbursement is being received according to the terms of the amended Letter of Agreement.

PHYSICIAN SERVICES

Wellspring Partners identified \$490,000 to \$840,000 in potential financial improvements for the OMH physician practices through revenue cycle performance, provider productivity and support staff alignment initiatives. The annual benefit of the implemented initiatives was estimated at \$956,000.

A physician productivity plan was established for the time period of October 2009-September 2010. To accomplish this goal, 16 individual physician productivity plans were designed, presented to and approved by each provider. The plans focus on increasing the physicians' time available for patients by adding office hours or days and ensuring that their schedules coincided with those of patient's. A tool was developed to allow management to track and report each physician's progress toward the individualized goals. During FY2010Q1 the physicians achieved 119% above the worked RVU baseline threshold, and 93% of their agreed upon targets, yielding a benefit for the first quarter of \$237,269.

LABOR

The total annualized labor savings from the project is estimated at \$2.75 million. The labor savings falls into three categories: (1) General headcount reduction, (2) Elimination of Paid Lunch, and (3) 5% salary reduction. The elimination of the paid lunch and the 5% salary reduction took effect July 1, 2009. A majority of the headcount reduction was achieved through a Voluntary Separation Program and attrition, with minimal layoffs. Approximately 53 FTEs were reduced from the baseline period through the end of the FY2010Q1. During FY2010Q1 the general headcount reduction, elimination of the paid lunch, and the 5% salary reduction for exempt staff yielded a quarterly benefit of \$612,003.

However, it should be noted that the estimated labor savings of \$2.75 million was based on the 2008 baseline period. During late 2008 and mid 2009, Otsego Memorial Hospital had acquired three physician practices (17.2 FTEs) and added essential additional FTEs within the departments of anesthesia (0.5), physical therapy (0.9) information technology (0.8), and physician practice administration/billing (3.7). The full financial impact was included in the FY2010 budget roll-forward analysis. The FY2010Q1 labor expenses associated with the practices and staff total \$605,697. As a result, the net benefit for FY2010Q1 was \$6,306. The realized labor savings enabled expenses associated with these new FTEs to be absorbed without widening Otsego Memorial Hospital's operating loss.

Otsego Memorial Hospital & Foundation															
13 Week Cash Flow Forecast															
Management Assumptions															
	Actual	2	3	4	5	6	Forecast								13 Week
	5/3/10	5/10/10	5/17/10	5/24/10	5/31/10	6/7/10	6/14/10	6/21/10	6/28/10	7/4/10	7/11/10	7/18/10	7/25/10	8/1/10	Total
	Starting														
	Ending														
Opening Operating Cash Balance	780,514	306,361	1,509,847	678,201	1,107,506	370,221	1,170,666	151,140	918,485	273,057	1,046,787	116,115	883,460	780,514	
Cash Receipts:															
Blue Cross - BIP - Weekly	0	734,900	234,900	234,900	234,900	234,900	234,900	234,900	234,900	234,900	234,900	234,900	234,900	234,900	3,318,800
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	1,312,386
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	437,885
Medicaid - CIP - Bi-Weekly	1,500	0	1,500	0	1,500	0	1,500	0	1,500	0	1,500	0	1,500	1,500	10,500
Commercial	247,400	262,719	262,719	262,719	210,175	262,719	262,719	262,719	262,719	262,719	210,175	262,719	262,719	262,719	3,294,945
Medicare Part B	157,547	178,237	178,237	178,237	142,590	178,237	178,237	178,237	178,237	178,237	142,590	178,237	178,237	178,237	2,225,100
PMB & Clinic	195,598	194,808	194,808	194,808	155,846	194,808	194,808	194,808	194,808	194,808	155,846	194,808	194,808	194,808	2,455,367
Self Pay & Other	59,725	71,717	71,717	71,717	57,374	71,717	71,717	71,717	71,717	71,717	57,374	71,717	71,717	71,717	891,645
Medicaid Other	25,977	46,477	46,477	46,477	37,182	46,477	46,477	46,477	46,477	46,477	167,182	46,477	46,477	46,477	695,115
Medicaid QAAP	264,361	0	0	0	35,666	0	0	0	35,666	0	0	0	0	35,666	371,359
Dividend Distribution-Dialysis Services Group	0	0	100,000	0	0	0	0	0	0	0	0	0	0	0	100,000
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
Miscellaneous	34,238	29,615	29,615	29,615	23,692	29,615	29,615	29,615	29,615	29,615	23,692	29,615	29,615	29,615	377,768
Total Cash Receipts	1,048,901	1,737,205	1,182,529	1,237,205	961,480	1,237,205	1,082,529	1,237,205	1,118,195	1,210,490	1,082,529	1,237,205	1,118,195	15,490,869	
Cash Disbursements:															
Operating supplies	0	20,600	20,600	20,600	20,600	20,600	20,600	20,600	20,600	20,600	20,600	20,600	20,600	20,600	247,201
Medical Supplies & Pharmacy	202,661	182,964	182,964	182,964	182,964	182,964	182,964	182,964	182,964	182,964	182,964	182,964	182,964	182,964	2,398,229
Purchased Services	300	39,657	39,657	39,657	39,657	39,657	39,657	39,657	39,657	39,657	39,657	39,657	39,657	39,657	476,188
Professional Fees	20,000	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	219,197
Utilities	1,060	92,089	92,089	92,089	92,089	115,089	115,089	115,089	92,089	115,089	115,089	115,089	115,089	92,089	1,244,133
Insurance	0	14,987	14,987	14,987	14,987	14,987	14,987	14,987	14,987	14,987	14,987	14,987	14,987	14,987	179,838
Other expenses	2,546	11,828	11,828	11,828	11,828	11,828	11,828	11,828	11,828	11,828	11,828	11,828	11,828	11,828	144,485
Payroll & Employee Taxes	1,162,553	0	1,177,420	0	1,177,420	0	1,177,420	0	1,177,420	0	1,177,420	0	1,177,420	0	8,227,073
Building Lease	23,414	0	0	0	23,414	0	0	0	23,414	0	0	0	0	0	70,242
5/3 Bond Principal & Interest	84,175	0	0	0	84,631	0	0	0	84,489	0	0	0	0	0	253,295
Wells Fargo Series 2004 Bond Interest	0	95,419	0	0	0	0	95,419	0	0	0	62,919	0	0	0	253,757
CAPEX	0	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	24,000
Additional Professional Fees	0	25,000	25,000	20,000	0	0	0	0	0	0	0	0	0	0	70,000
Health Insurance	0	0	392,455	33,100	0	0	392,455	33,100	0	0	336,102	33,100	0	0	1,220,312
Funded Depre-transfer to margin loan paydown	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	325,000
Forbearance Fee	0	0	0	100,000	0	0	0	0	0	0	0	0	0	0	100,000
QAAP Taxes	0	0	0	241,500	0	0	0	0	0	0	0	0	0	0	241,500
2009 Potential Medicare Settlement	0	0	0	0	0	0	0	0	65,000	0	0	0	0	0	65,000
Bank Fees	1,345	0	6,000	0	0	0	0	0	0	0	0	0	0	6,000	13,345
Other	0	7,575	7,575	7,575	7,575	8,035	8,035	8,035	7,575	8,035	8,035	8,035	8,035	7,575	93,654
Total Cash Disbursements	1,523,054	533,719	2,014,175	807,900	1,698,765	436,760	2,102,054	469,860	1,763,623	436,760	2,013,201	469,860	1,596,720	15,866,449	
Operating Cash Flow	(474,153)	1,203,486	(831,646)	429,305	(737,285)	800,445	(1,019,525)	767,345	(645,428)	773,730	(930,672)	767,345	(478,525)	(375,579)	
Ending Operating Cash Balance	306,361	1,509,847	678,201	1,107,506	370,221	1,170,666	151,140	918,485	273,057	1,046,787	116,115	883,460	404,935	404,935	
QAAP Cash Balance - PNC	320,250	320,250	320,250	320,250	320,250	366,600	366,600	366,600	366,600	412,950	412,950	412,950	474,950	474,950	
Total Operating + QAAP Cash Balance	626,611	1,830,097	998,451	1,427,756	690,471	1,537,266	517,740	1,285,085	639,657	1,459,737	529,065	1,296,410	879,885	879,885	
Additional Cash Balances															
Funded Depreciation	1,168,909	1,286,987	1,286,987	1,286,987	1,286,987	1,286,987	1,286,987	1,286,987	1,286,987	1,286,987	1,286,987	1,286,987	1,286,987	1,286,987	1,286,987
Foundation Cash	170,058	146,445	146,445	166,445	166,445	166,445	166,445	166,445	186,445	186,445	186,445	186,445	206,445	206,445	
Foundation Investments	977,269	981,622	989,802	998,051	1,006,368	1,014,754	1,023,210	1,031,737	1,040,335	1,049,004	1,057,746	1,066,561	1,075,449	1,075,449	
Total Other Fund Balances	2,316,236	2,415,054	2,423,234	2,451,483	2,459,800	2,468,186	2,476,642	2,485,169	2,513,767	2,522,436	2,531,178	2,539,993	2,568,881	2,568,881	
Total Cash	2,942,847	4,245,151	3,421,685	3,879,238	3,150,270	4,005,452	2,994,383	3,770,254	3,153,424	3,982,174	3,060,243	3,836,403	3,448,766	3,448,766	
Short-Term Debt - Margin Loan	477,360	452,360	427,360	402,360	377,360	352,360	327,360	302,360	277,360	252,360	227,360	202,360	177,360	177,360	
Total Cash less Short-Term Debt	2,465,487	3,792,791	2,994,325	3,476,878	2,772,910	3,653,092	2,667,023	3,467,894	2,876,064	3,729,814	2,832,883	3,634,043	3,271,406	3,271,406	
Cumulative Average Daily Cash Expenses				174,245				171,184						174,357	
Days on Hand				20				20						19	

Otsego Memorial Hospital & Foundation
13 Week Cash Flow Forecast
 Assumptions

Opening Cash Balance	Opening cash balance is the bank balance less outstanding checks for the operating and payroll accounts.
Cash Receipts	
Blue Cross BIP - Weekly Medicare - PIP - Bi-Weekly Medicaid - MIP - Bi-Weekly Medicaid - CIP - Bi-Weekly	<p>The Hospital is on the Periodic Interim Payment (PIP) for Medicare, Medicaid Interim Payment (MIP) for Medicaid and Blue Cross Interim Payment (BIP) for Blue Cross, which provide regular periodic payments to the Hospital. The amount received for these payors is currently at the following rates: Medicare - \$218,731 (Bi-weekly) Medicaid - MIP - \$62,555 & CIP - \$1,500 (Bi-weekly) Blue Cross - \$234,900 (weekly)</p> <p>These amounts are established based on prior activity through the most recent review by the payor. These can be adjusted at any time by the payor based on updated information relating to patient volume and acuity. It is currently assumed that these rates are reflective of current activity, however, could be subject to change.</p> <p>On April 14, Blue Cross determined it had overpaid Otsego by \$512,400 due to decreased activity for 2009 and the first quarter of 2010. The repayment plan is as follows: Blue Cross will withhold the entire scheduled 5/6/10 BIP. Beginning 5/11/10, the remaining amount will be spread into equal offsets applied against BIP payments until the end of November, 2010. In addition, on May 11, Blue Cross agreed to advance Otsego \$500,000 of BIP payments to assist with short-term cash needs. This advancement will be repaid by equal offsets applied against BIP payments until the end of Nov., 2010.</p> <p>Following the BIP rate adjustment on April 14, the weekly reimbursement from Blue Cross decreased from \$318,800 prior to April 15 to \$259,900.</p> <p>Repayment of the 2009 and Q1 2010 overpayment plus the May 11 advancement totals \$25,000 per week. This further reduces the weekly BIP payment to \$234,900.</p>
Commercial Medicare Part B PMB & Clinic Self Pay & Other	The Hospital currently estimates cash receipts relating to commercial and self-pay payors (all payors except traditional Medicare, traditional Medicaid, and Blue Cross) based on the average daily cash collections From January 1, 2010 through April 30, 2010 based on business days within each month, which average \$154,095 per day. The weeks beginning 5/5/10 and 7/5/10 are presented with reduced payments due to holidays within those weeks. These amounts are subject to change if the activity within these payors changes significantly throughout the forecast period.
Medicaid Other	The amount in the Medicaid Other line item represent receipts primarily for Medicaid outpatient services. The receipt July 5th includes a quarterly Rural Health Clinic payment of \$130,000.
Medicaid QAAP QAAP Cash Balance - PNC	The Hospital receives payments from the State of Michigan relating to the QAAP program. These amounts have been projected based on current amounts set by the state, but are subject to change through out the year. The payments relating to acute care and long-term care are included in the Medicaid QAAP line within the forecast. These payments included a \$264,361 payment for the acute care in the period beginning 5/3/10 and regular long-term care monthly payments of an estimated \$35,666. HRA and CHAP payments are included within the QAAP Cash Balance line within the forecast.
Dividend Distribution-Dialysis Services Group	The Hospital owns 50% of the Dialysis Services of Gaylord. The board has approved a distribution to shareholders of \$200,000. Otsego's portion of the distribution is \$100,000. The payment is scheduled to be paid before June 30th, 2010.
Miscellaneous	The Hospital miscellaneous cash receipts including rent and miscellaneous reimbursements. This miscellaneous cash is estimated based on \$5,923 per business day.
Other Cash Receipt Considerations	
Rural Health Clinic Settle Receivable	The Hospital's is currently estimating that they are due approximately \$740,000 from third party payors relating to settlement activity with their rural health clinic. This receivable will be collected from the payors based on their review of prior year cost reports. Since Otsego is unaware of when the cost report review will be completed, no determination can be made as to the timing of the receipt of the receivable, and, therefore, it has not been reflected in the 13 week cash flow forecast.

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

Cash Disbursements	
Operating supplies	Based on average YTD 3/31/2010 weekly expense. Payment terms assumed to be Net 30 days.
Medical Supplies & Pharmacy	Based on average YTD 3/31/2010 weekly expense. Payment terms assumed to be Net 30 days.
Purchased Services	Based on average YTD 3/31/2010 weekly expense. Payment terms assumed to be Net 30 days.
Professional Fees	Based on average YTD 3/31/2010 weekly expense. Payment terms assumed to be Net 30 days.
Utilities	Based on average YTD 3/31/2010 weekly expense. Payment terms assumed to be Net 30 days.
Insurance	Based on average YTD 3/31/2010 weekly expense. Payment terms assumed to be Net 30 days.
Other expenses	Based on average YTD 3/31/2010 weekly expense. Payment terms assumed to be Net 30 days.
Payroll & Employee Taxes	Processed on a bi-weekly basis. Based on current employee headcount and wages. Due to the time period of the 13 week cash flow forecast, an extra week of payroll and employee taxes is considered. This payroll week is timing related and would need to be removed when annualizing results.
Building Lease	Payment occurs the first week of every month.
5/3 Bond Principal & Interest	Payment occurs the first week of every month.
Wells Fargo Series 2004 Bond Interest	Payment occurs the first week of every month.
CAPEX	Estimated at \$2K per week.
Additional Professional Fees	Represents additional professional fees due for attorney and restructuring consultants.
Health Insurance	Represents the amount of employee related health insurance, Life Insurance, Unemployment, and Workers Compensation. This amount is variable based on utilization rates and is reset in October annually. Beginning in July, premiums for Blue Cross health insurance will decrease from \$380,455 to \$324,102 per month based on historic utilization.
Funded Depreciation-transfer to margin loan paydown	Currently the Funded Depreciation transfer is used to paydown the margin loan. When the balance is paid, the Funded Depreciation account is used to accumulate funds for future capital expenditures. Payments represents transfers from the operating account to this account.
Forbearance Fee	5/3 forbearance fee related; assumed payment during the week ending May 30th.
QAAP Taxes	The Hospital makes payments to the State of Michigan relating to the QAAP program. These amounts have been projected based on current amounts set by the state, but are subject to change through out the year. The Hospital currently owes for QAAP taxes due of approximately \$174,000, which are shown as being paid in May. The current forecast assumes that a quarterly QAAP payment that is due in June will be deferred until after the 13 week forecast.
2009 Potential Medicare Settlement	The Hospital owes Medicare for activity pertaining to the current year that differs from the activity used to base PIP payment amounts. These settlements can occur based on the filing of the 2009 cost report. It is estimated that for the year ended December 31, 2009, the Hospital owes Medicare approximately \$185,000. The Hospital also estimates that Medicare owes the Hospital approximately \$120,000 for Medicare rural health clinic services. The net of these amounts, \$65,000, is reflected in the forecast as a payable in the last week of May.
Bank Fees	Estimated at \$6K per month.
Other	2% of weekly accounts payable contingency for unanticipated disbursements.
Other Cash Disbursement Considerations	
Medicare Prior Year Settlement Payable	The Hospital owes certain third party payables for settlements with Medicare for activity pertaining to prior years. These settlements can occur based on the timing of the review by the third party payor. No determination can be made as to when these payments will be made as they are subject to the review of the payor and, therefore, these are not reflected within the 13 week projection. Estimated amount as of December 31, 2009 for all years prior to the year ended December 31, 2009 is approximately \$190,000.
Medicaid Settlement Payable	The Hospital owes certain third party payables for settlements with Medicaid for activity pertaining to the current year as well as prior years. These settlements can occur based solely on the timing of the review by the third party payor. As a result, no determination can be made as to when these payments will be made and, therefore, these are not reflected within the 13 week projection. Estimated amount as of December 31, 2009 is approximately \$280,000.
Fund Accounts	
QAAP Cash Balance - PNC	Includes cash receipts from HMO Health Reimbursement Arrangements (HRA) and HMO Community Health Accreditation Program (CHAP).
Funded Depreciation	Account contains amounts earmarked for future capital expenditures.
Foundation Cash	Represents cash balance from Otsego Memorial Hospital Foundation.
Foundation Investments	Represents investment account for Otsego Memorial Hospital Foundation.
Short-Term Debt	Borrowings secured by Funded Depreciation Account and is an offset to cash on hand. Amount is paid down by Funded Depreciation contribution weekly.
Cumulative Aver Daily Cash Exp	Amount is calculated on a cumulative basis. The May amount is an average of weeks 1 - 4, the June amount an average of weeks 1 - 8, and the July amount an average of weeks 1 - 13.