

# 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):

\$12,175,000

City of Hillsdale Hospital Finance Authority (Michigan)

Hospital Revenue Bonds, Series 1998

Hillsdale Community Health Center

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

432492AL0

432492AM8

432492AN6

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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) 10  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: July – September 2009 (FY2010Q1)

F.  Other Secondary Market Information (Specify): \_\_\_\_\_

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 Valerie A. Fetters Title Chief Financial Officer  
Employer Hillsdale Community Health Center  
Address 168 South Howell Street City Hillsdale State MI Zip Code 49242  
Telephone (517) 437-5232 Fax (517) 437-0246  
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**Investor Relations Contact, if any:**

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

# HILLSDALE COMMUNITY HEALTH CENTER

168 South Howell Street  
Hillsdale, MI 49242

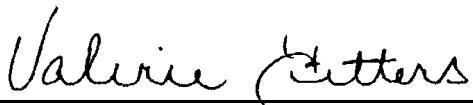
## OFFICER'S CERTIFICATE

**DATED: NOVEMBER 10, 2009**

This Officer's Certificate is delivered pursuant to Section 5.6(a)(ii) of the Loan Agreement between Hillsdale Community Health Center (the Corporation) and the City of Hillsdale Hospital Finance Authority (the Issuer), dated as of June 15, 1998. All capitalized terms used herein are as defined in the Loan Agreement or in the Trust Indenture between the Issuer and U.S. Bank Trust National Association, as Successor Trustee, dated as of June 15, 1998.

Attached are internally-prepared quarterly financial statements for the Fiscal Year quarter ended September 30, 2009, including a balance sheet as of such date and a statement of activities and changes in Net Assets for such quarter (the Quarterly Financial Statements). The undersigned certifies that:

1. I am the Chief Financial Officer of the Corporation and duly authorized to deliver this Officer's Certificate;
2. the Quarterly Financial Statements have been prepared on substantially the same accounting basis as the Corporation's audited financial statements for its Most Recent Fiscal Year; and
3. the Quarterly Financial Statements are, to the best of my belief, true and correct, but may be subject to audit and Fiscal Year-end adjustments, which adjustments are expected to be materially positive.



by: Valerie Fetters  
Chief Financial Officer

# HILLSDALE COMMUNITY HEALTH CENTER

## FINANCIAL AND STATISTICAL REPORT FOR THE QUARTER ENDED SEPTEMBER 30, 2009 (FY2010Q1)

### SERVICE VOLUMES AND UTILIZATION

<i>Historical Adult Medical/Surgical (Including CCU and Pediatrics) Utilization (excludes newborns)</i>							
	<i>Three Months Ended Sept. 30</i>		<i>Fiscal Years Ended June 30</i>				
	<i>2009</i>	<i>2008</i>	<i>2009</i>	<i>2008</i>	<i>2007</i>	<i>2006</i>	<i>2005</i>
Days in Period	92	92	365	366	365	365	365
Licensed Beds	56	56	56	56	56	56	56
Available Beds	44	44	44	44	44	44	44
Admissions	603	683	2,748	2,691	2,590	2,499	2,867
Patient Days	1,794	2,128	8,745	8,511	8,566	8,380	8,943
Avg. Daily Census	19.5	23.1	24.0	23.3	23.5	23.0	24.5
Average LOS	3.0	3.1	3.2	3.2	3.3	3.4	3.1
Occupancy Rate (%) <sup>1</sup>	44.3	52.6	54.5	52.9	53.3	52.2	55.7

<sup>1</sup> Based on Available Beds rather than Licensed Beds

<b>Historical Obstetrics Utilization (excludes newborns)</b>							
	<b>Three Months Ended Sept. 30</b>		<b>Fiscal Years Ended June 30</b>				
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
Days in Period	92	92	365	366	365	365	365
Licensed Beds	9	9	9	9	9	9	9
Available Beds	8	8	8	8	8	8	8
Admissions	125	131	423	459	432	464	466
Patient Days	274	250	961	967	895	948	989
Avg. Daily Census	3.0	2.7	2.6	2.6	2.5	2.6	2.7
Average LOS	2.2	1.9	2.3	2.1	2.1	2.0	2.1
Occupancy Rate (%) <sup>1</sup>	37.2	34.0	32.9	33.0	30.7	32.5	33.9
<sup>1</sup> Based on Available Beds rather than Licensed Beds							

<b>Historical Acute Care Utilization (excludes newborns)</b>							
	<b>Three Months Ended Sept. 30</b>		<b>Fiscal Years Ended June 30</b>				
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
Days in Period	92	92	365	366	365	365	365
Licensed Beds	65	65	65	65	65	65	65
Available Beds	52	52	52	52	52	52	52
Admissions	728	814	3,171	3,150	3,022	2,963	3,333
Patient Days	2,068	2,378	9,706	9,478	9,461	9,328	9,932
Avg. Daily Census	22.5	25.8	26.6	25.9	25.9	25.6	27.2
Average LOS	2.8	2.9	3.1	3.0	3.1	3.1	3.0
Occupancy Rate (%) <sup>1</sup>	43.2	49.7	51.1	49.8	49.8	49.1	52.3
<sup>1</sup> Based on Available Beds rather than Licensed Beds							

<b>Psychiatric Unit Utilization</b>							
	<b>Three Months Ended Sept. 30</b>		<b>Fiscal Years Ended June 30</b>				
	<b>20098</b>	<b>20087</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
Days in Period	92	92	365	366	365	365	365
Licensed Beds	10	10	10	10			
Available Beds	10	10	10	10			
Admissions	103	101	385	311			
Patient Days	586	539	2,018	1,520			
Avg. Daily Census	6.4	5.9	5.5	4.2			
Average LOS	5.7	5.3	5.2	4.9			
Occupancy Rate (%) <sup>1</sup>	63.7	58.6	55.3	41.5			

<sup>1</sup> Based on Available Beds rather than Licensed Beds

<b>Total Inpatient Utilization</b>							
	<b>Three Months Ended Sept. 30</b>		<b>Fiscal Years Ended June 30</b>				
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
Days in Period	92	92	365	366	365	365	365
Licensed Beds	75	75	75	75	65	65	65
Available Beds	62	62	62	62	52	52	52
Admissions	831	915	3,556	3,461	3,022	2,963	3,333
Patient Days	2,654	2,917	11,724	10,998	9,461	9,328	9,932
Avg. Daily Census	28.8	31.7	32.1	30.0	25.9	25.6	27.2
Average LOS	3.2	3.2	3.3	3.2	3.1	3.1	3.0
Occupancy Rate (%) <sup>1</sup>	38.5	42.3	42.8	40.1	39.9	39.3	41.9

<sup>1</sup> Based on Available Beds rather than Licensed Beds

<b>McGuire Unit Utilization</b>							
	<b>Three Months Ended Sept. 30</b>		<b>Fiscal Years Ended June 30</b>				
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
Days in Period	92	92	365	365	366	365	365
Licensed Beds	21	21	21	21	21	21	21
Patient Days	1,781	1,772	7,174	7,300	7,161	7,165	7,042
Avg. Daily Census	19.4	19.3	19.7	20.0	19.6	19.6	19.3
Occupancy Rate (%)	92.2	91.7	93.6	95.2	93.2	93.5	91.9

<b>Surgical Procedures</b>							
	<b>Three Months Ended Sept. 30</b>		<b>Fiscal Years Ended June 30</b>				
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
Inpatient	223	248	892	976	976	942	1,030
Outpatient	483	481	2,006	2,150	2,458	2,994	2,816
Total	706	729	2,898	3,126	3,434	3,936	3,846
Percent Outpatient (%)	68.4	66.0	69.2	68.8	71.6	76.1	73.2

<b>Emergency Department, Outpatient and Home Care Volumes</b>							
	<b>Three Months Ended Sept. 30</b>		<b>Fiscal Years Ended June 30</b>				
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
Emergency Dept. Visits	6,177	6,852	26,680	29,809	31,016	30,138	29,925
Change / Previous Period	(9.9)%		(10.5)%	(3.9)%	2.9%	0.7%	(0.9)%
Outpatient Registrations	29,700	30,666	121,514	124,045	121,513	119,136	123,236
Change / Previous Period	(3.2)%		(2.0)%	2.1%	2.0%	(3.3)%	3.4%
Home Care Visits	2,323	2,527	10,049	9,204	9,805	9,765	10,711
Change / Previous Period	(8.1)%		9.2%	(6.1)%	0.4%	(8.8)%	(1.5)%

***Ancillary Services Provided to Inpatients***

	<b><i>Three Months Ended Sept. 30</i></b>		<b><i>Fiscal Years Ended June 30</i></b>				
	<b><i>2009</i></b>	<b><i>2008</i></b>	<b><i>2009</i></b>	<b><i>2008</i></b>	<b><i>2007</i></b>	<b><i>2006</i></b>	<b><i>2005</i></b>
Laboratory <sup>1</sup>	26,827	29,894	124,425	116,312	86,819	80,544	82,045
MRI Scanning <sup>2</sup>	56	52	189	226	215	218	238
CT Scanning <sup>2</sup>	613	601	2,487	2,031	1,771	1,507	1,266
Ultrasonography <sup>2</sup>	300	900	2,725	3,007	2,904	2,388	2,617
Other Radiology <sup>2</sup>	1,051	1,257	5,073	4,974	4,885	4,801	5,171
Nuclear Medicine <sup>2</sup>	39	63	244	270	240	235	308
Electrocardiography <sup>1</sup>	1,049	1,315	5,126	5,036	4,347	4,130	4,647
Electroencephalography <sup>1</sup>	6	8	27	39	41	43	40
Cardiovascular Lab <sup>3,4</sup>	1	7	17	37	34	47	79
Physical Therapy <sup>5</sup>	425	464	1,957	1,679	1,895	1,917	2,169
Respiratory Therapy <sup>6</sup>	10,217	10,238	49,485	38,845	38,109	39,463	34,777
<sup>1</sup> Tests <sup>2</sup> Examinations <sup>3</sup> Procedures <sup>4</sup> Includes stress tests, Holter monitors, vascular studies and cardiac rehabilitation <sup>5</sup> Visits <sup>6</sup> Treatments							

**Ancillary Services Provided to Outpatients  
(includes ED, Home Care and McGuire Unit patients)**

	<b>Three Months Ended Sept. 30</b>		<b>Fiscal Years Ended June 30</b>				
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
Laboratory <sup>1</sup>	78,555	74,572	314,725	301,533	271,487	259,597	249,935
MRI Scanning <sup>2</sup>	770	935	3,463	3,655	3,818	3,663	2,370
CT Scanning <sup>2</sup>	2,116	1,867	7,374	6,613	6,144	5,365	4,246
Ultrasonography <sup>2</sup>	1,220	2,219	7,059	10,236	9,653	9,287	9,058
Other Radiology <sup>2</sup>	6,506	6,641	25,868	28,239	28,740	27,582	28,468
Nuclear Medicine <sup>2</sup>	410	658	2,420	3,053	3,488	4,677	4,303
Electrocardiography <sup>1</sup>	989	900	3,789	3,914	4,555	4,430	3,582
Electroencephalography <sup>1</sup>	12	28	100	100	98	128	106
Cardiovascular Lab <sup>3,4</sup>	766	815	3,236	4,202	4,836	5,078	3,921
Physical Therapy <sup>5</sup>	6,411	6,987	21,339	20,476	21,671	22,583	21,538
Respiratory Therapy <sup>6</sup>	7,796	4,190	25,970	22,035	19,182	17,172	14,981
Endoscopy <sup>3</sup>	500	539	2,002	2,105	2,392	2,461	2,391
Sleep Studies <sup>1</sup>	170	180	687	488	528	512	566

<sup>1</sup> Tests

<sup>2</sup> Examinations

<sup>3</sup> Procedures

<sup>4</sup> Includes stress tests, Holter monitors, vascular studies and cardiac rehabilitation

<sup>5</sup> Visits

<sup>6</sup> Treatments

**FINANCIAL INFORMATION**

<b><i>Payor Mix, by Gross Revenue</i></b>						
	<b><i>Three Months Ended Sept. 30</i></b>	<b><i>Fiscal Years Ended June 30</i></b>				
	<b><i>2009</i></b>	<b><i>2009</i></b>	<b><i>2008</i></b>	<b><i>2007</i></b>	<b><i>2006</i></b>	<b><i>2005</i></b>
Medicare	47.2%	48.1%	45.2%	47.0%	45.0%	43.0%
Medicaid	13.9%	12.9%	13.0%	12.0%	12.0%	11.0%
Blue Cross	23.5%	22.7%	24.5%	23.0%	23.0%	25.0%
Commercial Insurance	9.2%	11.2%	12.6%	14.0%	16.0%	17.0%
Self-Pay	6.2%	5.0%	4.7%	4.0%	4.0%	4.0%
<b>TOTALS</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

<b><i>Gross Patient Revenue by Service</i></b>						
	<b><i>Three Months Ended Sept. 30</i></b>	<b><i>Fiscal Years Ended June 30</i></b>				
	<b><i>2009</i></b>	<b><i>2009</i></b>	<b><i>2008</i></b>	<b><i>2007</i></b>	<b><i>2006</i></b>	<b><i>2005</i></b>
Inpatient	38.5%	39.6%	38.2%	36.5%	35.7%	38.5%
Outpatient	54.8%	54.1%	55.8%	58.0%	58.2%	55.4%
McGuire Unit	5.0%	4.9%	4.6%	4.5%	4.4%	4.0%
Home Care	1.7%	1.4%	1.4%	1.0%	1.7%	2.1%
<b>TOTALS</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

**Summary of Statements of Operations**  
**(\$000s omitted)**

	<b>Three Months Ended Sept. 30</b>		<b>Fiscal Years Ended June 30</b>				
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
Net Patient Service Revenue	13,734	14,463	54,929	54,639	50,201	45,477	42,876
Other Operating Revenue	<u>215</u>	<u>143</u>	<u>901</u>	<u>634</u>	<u>672</u>	<u>1,016</u>	<u>550</u>
Total Operating Revenue	13,949	14,607	55,830	55,273	50,873	46,493	43,426
Depreciation Expense	697	711	2,883	2,760	2,476	2,211	1,799
Interest Expense	164	169	678	720	737	720	648
Bad Debt Expense	1,123	909	4,152	5,234	2,745	2,545	2,209
Other Operating Expenses	<u>11,379</u>	<u>12,217</u>	<u>48,820</u>	<u>46,657</u>	<u>45,361</u>	<u>39,157</u>	<u>36,887</u>
Total Operating Expenses	13,362	14,006	56,533	55,372	51,319	44,634	41,543
Income (Loss) from Operations	587	601	(703)	(99)	(446)	1,859	1,883
Unrealized Investment Gains (Losses)	885	(742)	(1,475)	(1,173)			
Other Nonoperating Gains (Losses) <sup>1</sup>	<u>84</u>	<u>85</u>	<u>199</u>	<u>1,219</u>	<u>(692)</u>	<u>(695)</u>	<u>(931)</u>
Excess (Deficit) of Revenue over Expenses	1,555	(57)	(1,979)	(53)	(1,137)	1,164	952
Net Income Available for Debt Service (EBIDA) <sup>2</sup>			3,057	4,600	2,076	4,095	3,399
Capital Expenditures			912	1,993	4,956	2,367	3,578

<sup>1</sup> Certain FY2009 and FY2008 figures do not include physician recruitment/retention expenses, now included among Other Operating Expenses  
<sup>2</sup> Calculated by management from the Corporation's audited financial statements, using definitions published by Standard & Poor's Ratings Services, as modified by Series 1998 Loan Agreement definitions with respect to FY2009 and FY2008

<b>Balance Sheet Summary</b> <b>(\$000s omitted)</b>						
	<b>At September 30</b>	<b>Fiscal Years Ended June 30</b>				
	<b>2009</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006<sup>1</sup></b>	<b>2005</b>
Cash and Temporary Investments <sup>2</sup>	4,033	3,117	4,154	4,470	4,692	4,655
Net Patient Accounts Receivable	10,574	10,845	8,189	7,343	7,908	6,261
Other Current Assets	<u>2,855</u>	<u>3,461</u>	<u>3,900</u>	<u>3,406</u>	2,341	<u>2,067</u>
Total Current Assets	17,461	17,424	16,243	15,218	14,941	12,982
Non-Current Cash & Investments <sup>2</sup>	9,397	8,428	9,855	10,175	8,973	7,752
Property and Equipment	14,999	15,577	17,156	18,116	16,154	16,246
Other Assets	<u>4,168</u>	<u>3,519</u>	<u>3,282</u>	<u>3,569</u>	3,733	<u>4,846</u>
Total Assets	46,025	44,948	46,537	47,079	43,800	41,827
Current Liabilities	11,937	12,340	11,207	11,642	9,964	9,237
Long-Term Debt	13,753	13,827	14,598	15,078	13,791	13,909
Net Assets	<u>20,335</u>	<u>18,781</u>	<u>20,732</u>	<u>20,359</u>	<u>20,045</u>	<u>18,681</u>
Total	46,025	44,948	46,537	47,079	43,801	41,827

<sup>1</sup> Certain FY2006 amounts have been changed to reflect reclassifications reported in connection with the FY2007 audited financial statements  
<sup>2</sup> Used in Days' Cash on Hand, Cash-to-Debt and Quick Ratio calculations

<b>Case-Mix Indices</b>						
	<b>Three Months Ended Sept. 30</b>	<b>Fiscal Years Ended June 30</b>				
	<b>2009</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
Medicare	1.2068	1.2279	1.2182	1.3189	1.3052	1.2807
Medicaid	0.4575	0.6835	0.6354	0.6596	0.6213	0.6053
Blue Cross	0.7584	0.7722	0.6723	0.7686	0.9104	0.8234