

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):

\$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

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) 10 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: _____

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: October – December 2009 (FY2010Q2)

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 Relationship to Issuer Dissemination Agent

Obligor Contact, if any:

Name Valerie A. Fetters Title Chief Financial Officer
Employer Hillsdale Community Health Center
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Telephone (517) 437-5232 Fax (517) 437-0246
Email Address vfetters@hchc.com Obligor Web Site Address www.hchc.com

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: FEBRUARY 17, 2010

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 December 31, 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 DECEMBER 31, 2009 (FY2010Q2)

SERVICE VOLUMES AND UTILIZATION

<i>Historical Adult Medical/Surgical (Including CCU and Pediatrics) Utilization (excludes newborns)</i>							
	<i>Six Months Ended December 31</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	184	184	365	366	365	365	365
Licensed Beds	56	56	56	56	56	56	56
Available Beds	44	44	44	44	44	44	44
Admissions	1,221	1,405	2,748	2,691	2,590	2,499	2,867
Patient Days	3,898	4,330	8,745	8,511	8,566	8,380	8,943
Avg. Daily Census	21.2	23.5	24.0	23.3	23.5	23.0	24.5
Average LOS	3.2	3.1	3.2	3.2	3.3	3.4	3.1
Occupancy Rate (%) ¹	48.1	53.5	54.5	52.9	53.3	52.2	55.7
¹ Based on Available Beds rather than Licensed Beds							

Historical Obstetrics Utilization (excludes newborns)							
	Six Months Ended December 31		Fiscal Years Ended June 30				
	2009	2008	2009	2008	2007	2006	2005
Days in Period	184	184	365	366	365	365	365
Licensed Beds	9	9	9	9	9	9	9
Available Beds	8	8	8	8	8	8	8
Admissions	237	215	423	459	432	464	466
Patient Days	535	446	961	967	895	948	989
Avg. Daily Census	2.9	2.4	2.6	2.6	2.5	2.6	2.7
Average LOS	2.3	2.1	2.3	2.1	2.1	2.0	2.1
Occupancy Rate (%) ¹	36.3	30.3	32.9	33.0	30.7	32.5	33.9
¹ Based on Available Beds rather than Licensed Beds							

Historical Acute Care Utilization (excludes newborns)							
	Six Months Ended December 31		Fiscal Years Ended June 30				
	2009	2008	2009	2008	2007	2006	2005
Days in Period	184	184	365	366	365	365	365
Licensed Beds	65	65	65	65	65	65	65
Available Beds	52	52	52	52	52	52	52
Admissions	1,458	1,620	3,171	3,150	3,022	2,963	3,333
Patient Days	4,433	4,776	9,706	9,478	9,461	9,328	9,932
Avg. Daily Census	24.1	26.0	26.6	25.9	25.9	25.6	27.2
Average LOS	3.0	2.9	3.1	3.0	3.1	3.1	3.0
Occupancy Rate (%) ¹	46.3	49.9	51.1	49.8	49.8	49.1	52.3
¹ Based on Available Beds rather than Licensed Beds							

<i>Psychiatric Unit Utilization</i>							
	<i>Six Months Ended December 31</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	184	184	365	366	365	365	365
Licensed Beds	10	10	10	10			
Available Beds	10	10	10	10			
Admissions	184	188	385	311			
Patient Days	1,138	959	2,018	1,520			
Avg. Daily Census	6.2	5.2	5.5	4.2			
Average LOS	6.2	5.1	5.2	4.9			
Occupancy Rate (%) ¹	61.8	52.1	55.3	41.5			
¹ Based on Available Beds rather than Licensed Beds							

<i>Total Inpatient Utilization</i>							
	<i>Six Months Ended December 31</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	184	184	365	366	365	365	365
Licensed Beds	75	75	75	75	65	65	65
Available Beds	62	62	62	62	52	52	52
Admissions	1,642	1,808	3,556	3,461	3,022	2,963	3,333
Patient Days	5,571	5,735	11,724	10,998	9,461	9,328	9,932
Avg. Daily Census	30.3	31.2	32.1	30.0	25.9	25.6	27.2
Average LOS	3.4	3.2	3.3	3.2	3.1	3.1	3.0
Occupancy Rate (%) ¹	40.4	41.6	42.8	40.1	39.9	39.3	41.9
¹ Based on Available Beds rather than Licensed Beds							

McGuire Unit Utilization							
	Six Months Ended December 31		Fiscal Years Ended June 30				
	2009	2008	2009	2008	2007	2006	2005
Days in Period	184	184	365	365	366	365	365
Licensed Beds	21	21	21	21	21	21	21
Patient Days	3,635	3,575	7,174	7,300	7,161	7,165	7,042
Avg. Daily Census	19.8	19.4	19.7	20.0	19.6	19.6	19.3
Occupancy Rate (%)	94.1	92.5	93.6	95.2	93.2	93.5	91.9

Surgical Procedures							
	Six Months Ended December 31		Fiscal Years Ended June 30				
	2009	2008	2009	2008	2007	2006	2005
Inpatient	428	468	892	976	976	942	1,030
Outpatient	975	1,024	2,006	2,150	2,458	2,994	2,816
Total	1,403	1,492	2,898	3,126	3,434	3,936	3,846
Percent Outpatient (%)	69.5	68.6	69.2	68.8	71.6	76.1	73.2

Emergency Department, Outpatient and Home Care Volumes							
	Six Months Ended December 31		Fiscal Years Ended June 30				
	2009	2008	2009	2008	2007	2006	2005
Emergency Dept. Visits	12,624	13,767	26,680	29,809	31,016	30,138	29,925
Change / Previous Period	(8.3)%		(10.5)%	(3.9)%	2.9%	0.7%	(0.9)%
Outpatient Registrations	59,618	59,769	121,514	124,045	121,513	119,136	123,236
Change / Previous Period	(0.3)%		(2.0)%	2.1%	2.0%	(3.3)%	3.4%
Home Care Visits	4,897	5,008	10,049	9,204	9,805	9,765	10,711
Change / Previous Period	(2.2)%		9.2%	(6.1)%	0.4%	(8.8)%	(1.5)%

<i>Ancillary Services Provided to Inpatients</i>							
	<i>Six Months Ended December 31</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>
Laboratory ¹	57,147	60,586	124,425	116,312	86,819	80,544	82,045
MRI Scanning ²	100	95	189	226	215	218	238
CT Scanning ²	1,235	1,152	2,487	2,031	1,771	1,507	1,266
Ultrasonography ²	645	1,577	2,725	3,007	2,904	2,388	2,617
Other Radiology ²	2,183	2,580	5,073	4,974	4,885	4,801	5,171
Nuclear Medicine ²	80	120	244	270	240	235	308
Electrocardiography ¹	2,180	2,597	5,126	5,036	4,347	4,130	4,647
Electroencephalography ¹	16	15	27	39	41	43	40
Cardiovascular Lab ^{3,4}	10	9	17	37	34	47	79
Physical Therapy ⁵	956	1,010	1,957	1,679	1,895	1,917	2,169
Respiratory Therapy ⁶	23,050	22,077	49,485	38,845	38,109	39,463	34,777
¹ Tests							
² Examinations							
³ Procedures							
⁴ Includes stress tests, Holter monitors, vascular studies and cardiac rehabilitation							
⁵ Visits							
⁶ Treatments							

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

	<i>Six Months Ended December 31</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>
Laboratory ¹	152,487	151,639	314,725	301,533	271,487	259,597	249,935
MRI Scanning ²	1,487	1,783	3,463	3,655	3,818	3,663	2,370
CT Scanning ²	4,246	3,487	7,374	6,613	6,144	5,365	4,246
Ultrasonography ²	2,506	3,758	7,059	10,236	9,653	9,287	9,058
Other Radiology ²	12,844	13,209	25,868	28,239	28,740	27,582	28,468
Nuclear Medicine ²	872	1,248	2,420	3,053	3,488	4,677	4,303
Electrocardiography ¹	1,889	1,938	3,789	3,914	4,555	4,430	3,582
Electroencephalography ¹	29	47	100	100	98	128	106
Cardiovascular Lab ^{3,4}	1,424	1,669	3,236	4,202	4,836	5,078	3,921
Physical Therapy ⁵	12,454	12,782	21,339	20,476	21,671	22,583	21,538
Respiratory Therapy ⁶	14,723	10,323	25,970	22,035	19,182	17,172	14,981
Endoscopy ³	1,006	987	2,002	2,105	2,392	2,461	2,391
Sleep Studies ¹	316	385	687	488	528	512	566

¹ Tests

² Examinations

³ Procedures

⁴ Includes stress tests, Holter monitors, vascular studies and cardiac rehabilitation

⁵ Visits

⁶ Treatments

FINANCIAL INFORMATION

<i>Payor Mix, by Gross Revenue</i>						
	<i>Six Months Ended December 31</i>	<i>Fiscal Years Ended June 30</i>				
	<i>2009</i>	<i>2009</i>	<i>2008</i>	<i>2007</i>	<i>2006</i>	<i>2005</i>
Medicare	47.6%	48.1%	45.2%	47.0%	45.0%	43.0%
Medicaid	14.4%	12.9%	13.0%	12.0%	12.0%	11.0%
Blue Cross	22.7%	22.7%	24.5%	23.0%	23.0%	25.0%
Commercial Insurance	9.7%	11.2%	12.6%	14.0%	16.0%	17.0%
Self-Pay	5.7%	5.0%	4.7%	4.0%	4.0%	4.0%
TOTALS	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

<i>Gross Patient Revenue by Service</i>						
	<i>Six Months Ended December 31</i>	<i>Fiscal Years Ended June 30</i>				
	<i>2009</i>	<i>2009</i>	<i>2008</i>	<i>2007</i>	<i>2006</i>	<i>2005</i>
Inpatient	38.3%	39.6%	38.2%	36.5%	35.7%	38.5%
Outpatient	55.7%	54.1%	55.8%	58.0%	58.2%	55.4%
McGuire Unit	4.6%	4.9%	4.6%	4.5%	4.4%	4.0%
Home Care	1.4%	1.4%	1.4%	1.0%	1.7%	2.1%
TOTALS	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

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

	Six Months Ended Dec. 31		Fiscal Years Ended June 30				
	2009	2008	2009	2008	2007	2006	2005
Net Patient Service Revenue	27,031	27,718	54,929	54,639	50,201	45,477	42,876
Other Operating Revenue	<u>449</u>	<u>375</u>	<u>901</u>	<u>634</u>	<u>672</u>	<u>1,016</u>	<u>550</u>
Total Operating Revenue	27,480	28,093	55,830	55,273	50,873	46,493	43,426
Depreciation Expense	1,386	1,430	2,883	2,760	2,476	2,211	1,799
Interest Expense	311	344	678	720	737	720	648
Bad Debt Expense	2,309	1,731	4,152	5,234	2,745	2,545	2,209
Other Operating Expenses	<u>22,879</u>	<u>24,882</u>	<u>48,820</u>	<u>46,657</u>	<u>45,361</u>	<u>39,157</u>	<u>36,887</u>
Total Operating Expenses	26,885	28,388	56,533	55,372	51,319	44,634	41,543
Income (Loss) from Operations	596	(294)	(703)	(99)	(446)	1,859	1,883
Unrealized Investment Gains (Losses)	1,121	(1,833)	(1,475)	(1,173)			
Other Nonoperating Gains (Losses) ¹	<u>158</u>	<u>238</u>	<u>199</u>	<u>1,219</u>	<u>(692)</u>	<u>(695)</u>	<u>(931)</u>
Excess (Deficit) of Revenue over Expenses	1,875	(1,889)	(1,979)	(53)	(1,137)	1,164	952
Net Income Available for Debt Service (EBIDA) ²			3,057	4,600	2,076	4,095	3,399
Capital Expenditures			912	1,993	4,956	2,367	3,578
¹ Certain FY2009 and FY2008 figures do not include physician recruitment/retention expenses, now included among Other Operating Expenses ² 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							

Balance Sheet Summary (\$000s omitted)						
	At December 31	Fiscal Years Ended June 30				
	2009	2009	2008	2007	2006¹	2005
Cash and Temporary Investments ²	5,505	3,117	4,154	4,470	4,692	4,655
Net Patient Accounts Receivable	8,854	10,845	8,189	7,343	7,908	6,261
Other Current Assets	<u>3,084</u>	<u>3,461</u>	<u>3,900</u>	<u>3,406</u>	2,341	<u>2,067</u>
Total Current Assets	17,444	17,424	16,243	15,218	14,941	12,982
Non-Current Cash & Investments ²	9,676	8,428	9,855	10,175	8,973	7,752
Property and Equipment	14,542	15,577	17,156	18,116	16,154	16,246
Other Assets	<u>4,419</u>	<u>3,519</u>	<u>3,282</u>	<u>3,569</u>	3,733	<u>4,846</u>
Total Assets	46,080	44,948	46,537	47,079	43,800	41,827
Current Liabilities	9,723	12,340	11,207	11,642	9,964	9,237
Long-Term Debt	13,581	13,827	14,598	15,078	13,791	13,909
Other Non-Current Liabilities	2,118	-	-	-	-	-
Net Assets	<u>20,657</u>	<u>18,781</u>	<u>20,732</u>	<u>20,359</u>	<u>20,045</u>	<u>18,681</u>
Total	46,080	44,948	46,537	47,079	43,801	41,827

¹ Certain FY2006 amounts have been changed to reflect reclassifications reported in connection with the FY2007 audited financial statements

² Used in Days' Cash on Hand, Cash-to-Debt and Quick Ratio calculations

Case-Mix Indices						
	Six Months Ended December 31	Fiscal Years Ended June 30				
	2009	2009	2008	2007	2006	2005
Medicare	1.2280	1.2279	1.2182	1.3189	1.3052	1.2807
Medicaid	0.4775	0.6835	0.6354	0.6596	0.6213	0.6053
Blue Cross	0.7980	0.7722	0.6723	0.7686	0.9104	0.8234