

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: _____ April – June 2010 (FY2010Q4) _____

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 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 _____ 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 _____
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: AUGUST 5, 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 June 30, 2010, 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.



by: Valerie Fetters
Chief Financial Officer

HILLSDALE COMMUNITY HEALTH CENTER

FINANCIAL AND STATISTICAL REPORT FOR THE QUARTER ENDED JUNE 30, 2010 (FY2010Q4)

SERVICE VOLUMES AND UTILIZATION

<i>Historical Adult Medical/Surgical (Including CCU and Pediatrics) Utilization (excludes newborns)</i>							
	<i>Twelve Months Ended June 30</i>		<i>Fiscal Years Ended June 30</i>				
	<i>2010</i>		<i>2009</i>	<i>2008</i>	<i>2007</i>	<i>2006</i>	<i>2005</i>
Days in Period	365		365	366	365	365	365
Licensed Beds	56		56	56	56	56	56
Available Beds	45		45	45	45	44	44
Admissions ¹	2,546		2,757	2,691	2,590	2,499	2,867
Patient Days	8,346		8,745	8,511	8,566	8,380	8,943
Avg. Daily Census	22.9		24.0	23.3	23.5	23.0	24.5
Average LOS	3.3		3.2	3.2	3.3	3.4	3.1
Occupancy Rate (%) ²	50.8		53.2	51.7	52.2	52.2	55.7
¹ FY2009 figure has been revised by an immaterial degree from that previously reported							
² Based on Available Beds rather than Licensed Beds							

Historical Obstetrics Utilization (excludes newborns)							
	Twelve Months Ended June 30		Fiscal Years Ended June 30				
	2010		2009	2008	2007	2006	2005
Days in Period	365		365	366	365	365	365
Licensed Beds	9		9	9	9	9	9
Available Beds	8		8	8	8	8	8
Admissions	385		423	459	432	464	466
Patient Days	781		961	967	895	948	989
Avg. Daily Census	2.1		2.6	2.6	2.5	2.6	2.7
Average LOS	2.0		2.3	2.1	2.1	2.0	2.1
Occupancy Rate (%) ¹	26.7		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)							
	Twelve Months Ended June 30		Fiscal Years Ended June 30				
	2010		2009	2008	2007	2006	2005
Days in Period	365		365	366	365	365	365
Licensed Beds	65		65	65	65	65	65
Available Beds	53		53	53	53	52	52
Admissions ¹	2,931		3,180	3,150	3,022	2,963	3,333
Patient Days	9,127		9,706	9,478	9,461	9,328	9,932
Avg. Daily Census	25.0		26.6	25.9	25.9	25.6	27.2
Average LOS	3.1		3.1	3.0	3.1	3.1	3.0
Occupancy Rate (%) ²	47.2		50.2	48.9	48.9	49.1	52.3
¹ FY2009 figure has been revised by an immaterial degree from that previously reported							
² Based on Available Beds rather than Licensed Beds							

Psychiatric Unit Utilization							
	Twelve Months Ended June 30		Fiscal Years Ended June 30				
	2010		2009	2008	2007	2006	2005
Days in Period	365		365	366	365	365	365
Licensed Beds	10		10	10			
Available Beds	10		10	10			
Admissions	377		385	311			
Patient Days	2,411		2,018	1,520			
Avg. Daily Census	6.6		5.5	4.2			
Average LOS	6.4		5.2	4.9			
Occupancy Rate (%) ¹	66.1		55.3	41.5			

¹ Based on Available Beds rather than Licensed Beds

Total Inpatient Utilization							
	Twelve Months Ended June 30		Fiscal Years Ended June 30				
	2010		2009	2008	2007	2006	2005
Days in Period	365		365	366	365	365	365
Licensed Beds	75		75	75	65	65	65
Available Beds	63		63	63	53	52	52
Admissions ¹	3,308		3,565	3,461	3,022	2,963	3,333
Patient Days	11,538		11,724	10,998	9,461	9,328	9,932
Avg. Daily Census	31.6		32.1	30.0	25.9	25.6	27.2
Average LOS	3.5		3.3	3.2	3.1	3.1	3.0
Occupancy Rate (%) ²	42.1		42.8	40.1	39.9	39.3	41.9

¹ FY2009 figure has been revised by an immaterial degree from that previously reported

² Based on Available Beds rather than Licensed Beds

McGuire Unit Utilization							
	Twelve Months Ended June 30		Fiscal Years Ended June 30				
	2010		2009	2008	2007	2006	2005
Days in Period	365		365	365	366	365	365
Licensed Beds	21		21	21	21	21	21
Patient Days	7,186		7,174	7,300	7,161	7,165	7,042
Avg. Daily Census	19.7		19.7	20.0	19.6	19.6	19.3
Occupancy Rate (%)	93.8		93.6	95.2	93.2	93.5	91.9

Surgical Procedures							
	Twelve Months Ended June 30		Fiscal Years Ended June 30				
	2010		2009	2008	2007	2006	2005
Inpatient	881		892	976	976	942	1,030
Outpatient	1,926		2,006	2,150	2,458	2,994	2,816
Total	2,807		2,898	3,126	3,434	3,936	3,846
Percent Outpatient (%)	68.6		69.2	68.8	71.6	76.1	73.2

Emergency Department, Outpatient and Home Care Volumes							
	Twelve Months Ended June 30		Fiscal Years Ended June 30				
	2010		2009	2008	2007	2006	2005
Emergency Dept. Visits	24,466		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	117,816		121,514	124,045	121,513	119,136	123,236
Change / Previous Period	(3.0)%		(2.0)%	2.1%	2.0%	(3.3)%	3.4%
Home Care Visits	9,858		10,049	9,204	9,805	9,765	10,711
Change / Previous Period	(1.9)%		9.2%	(6.1)%	0.4%	(8.8)%	(1.5)%

Ancillary Services Provided to Acute Care Inpatients

	<i>Twelve Months Ended June 30</i>		<i>Fiscal Years Ended June 30</i>				
	<i>2010</i>		<i>2009</i>	<i>2008</i>	<i>2007</i>	<i>2006</i>	<i>2005</i>
Laboratory ^{1,7}	119,583		124,425	116,312	86,819	80,544	82,045
MRI Scanning ²	182		189	226	215	218	238
CT Scanning ^{2,7}	2,455		2,487	2,031	1,771	1,507	1,266
Ultrasonography ^{2,8}	1,392		2,725	3,007	2,904	2,388	2,617
Other Radiology ²	4,361		5,073	4,974	4,885	4,801	5,171
Nuclear Medicine ^{2,8}	155		244	270	240	235	308
Electrocardiography ¹	4,693		5,126	5,036	4,347	4,130	4,647
Electroencephalography ¹	38		27	39	41	43	40
Cardiovascular Lab ^{3,4}	19		17	37	34	47	79
Physical Therapy ⁵	1,915		1,957	1,679	1,895	1,917	2,169
Respiratory Therapy ⁶	50,771		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

⁷ FY2009 figures have been revised by an immaterial degree from those previously reported

⁸ FY2010 figures reflect a change in counting methodology and do not correspond to prior FY's figures

***Ancillary Services Provided to Psychiatric Unit Inpatients,
ED, Home Care and McGuire Unit Patients, and Outpatients***

	<i>Twelve Months Ended June 30</i>		<i>Fiscal Years Ended June 30</i>				
	<i>2010</i>		<i>2009</i>	<i>2008</i>	<i>2007</i>	<i>2006</i>	<i>2005</i>
Laboratory ^{1,7}	312,492		314,725	301,533	271,487	259,597	249,935
MRI Scanning ²	2,808		3,463	3,655	3,818	3,663	2,370
CT Scanning ^{2,7}	8,545		7,374	6,613	6,144	5,365	4,246
Ultrasonography ^{2,8}	5,357		7,059	10,236	9,653	9,287	9,058
Other Radiology ²	26,146		25,868	28,239	28,740	27,582	28,468
Nuclear Medicine ^{2,8}	1,507		2,420	3,132	3,488	4,677	4,303
Electrocardiography ¹	3,740		3,789	3,914	4,555	4,430	3,582
Electroencephalography ¹	80		100	100	98	128	106
Cardiovascular Lab ^{3,4}	2,899		3,236	4,202	4,836	5,078	3,921
Physical Therapy ⁵	25,200		26,167	20,476	21,671	22,583	21,538
Respiratory Therapy ^{6,7}	29,815		25,970	22,035	19,182	17,172	14,981
Endoscopy ³	1,954		2,002	2,105	2,392	2,461	2,391
Sleep Studies ¹	620		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

⁷

FY2009 figures have been revised by an immaterial degree from those previously reported

⁸

FY2010 figures reflect a change in counting methodology and do not correspond to prior FY's figures

FINANCIAL INFORMATION

<i>Payor Mix, by Gross Revenue</i>						
	<i>Twelve Months Ended June 30</i>	<i>Fiscal Years Ended June 30</i>				
	<i>2010</i>	<i>2009</i>	<i>2008</i>	<i>2007</i>	<i>2006</i>	<i>2005</i>
Medicare	48.3%	48.1%	45.2%	47.0%	45.0%	43.0%
Medicaid	14.6%	12.9%	13.0%	12.0%	12.0%	11.0%
Blue Cross	21.9%	22.7%	24.5%	23.0%	23.0%	25.0%
Commercial Insurance	9.8%	11.2%	12.6%	14.0%	16.0%	17.0%
Self-Pay	5.4%	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>Twelve Months Ended June 30</i>	<i>Fiscal Years Ended June 30</i>				
	<i>2010</i>	<i>2009</i>	<i>2008</i>	<i>2007</i>	<i>2006</i>	<i>2005</i>
Inpatient	38.7%	39.6%	38.2%	36.5%	35.7%	38.5%
Outpatient	55.1%	54.1%	55.8%	58.0%	58.2%	55.4%
McGuire Unit	4.8%	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)

	<i>Twelve Months Ended June 30</i>		<i>Fiscal Years Ended June 30</i>				
	<i>2010</i>		<i>2009</i>	<i>2008</i>	<i>2007</i>	<i>2006</i>	<i>2005</i>
Net Patient Service Revenue	56,185		54,929	54,639	50,201	45,477	42,876
Other Operating Revenue	<u>617</u>		<u>901</u>	<u>634</u>	<u>672</u>	<u>1,016</u>	<u>550</u>
Total Operating Revenue	56,802		55,830	55,273	50,873	46,493	43,426
Depreciation Expense	2,748		2,883	2,760	2,476	2,211	1,799
Interest Expense	584		678	720	737	720	648
Bad Debt Expense	4,794		4,152	5,234	2,745	2,545	2,209
Other Operating Expenses	<u>47,139</u>		<u>48,820</u>	<u>46,657</u>	<u>45,361</u>	<u>39,157</u>	<u>36,887</u>
Total Operating Expenses	55,265		56,533	55,372	51,319	44,634	41,543
Income (Loss) from Operations	1,537		(703)	(99)	(446)	1,859	1,883
Unrealized Investment Gains (Losses)	781		(1,475)	(1,173)			
Other Nonoperating Gains (Losses) ¹	<u>354</u>		<u>199</u>	<u>1,219</u>	<u>(692)</u>	<u>(695)</u>	<u>(931)</u>
Excess (Deficit) of Revenue over Expenses	2,672		(1,979)	(53)	(1,137)	1,164	952
Net Income Available for Debt Service (EBIDA) ²	5,223		3,057	4,600	2,076	4,095	3,399
Capital Expenditures			912	1,993	4,956	2,367	3,578

FY2010, FY2009 and FY2008 figures do not include physician recruitment/retention expenses, now included among Other Operating Expenses for those FYs

² Calculated by management from the Corporation's financial statements, using definitions published by Standard & Poor's Ratings Services, as modified by Series 1998 Loan Agreement definitions with respect to FY2010, FY2009 and FY2008

Balance Sheet Summary (\$000s omitted)						
	At June 30	Fiscal Years Ended June 30				
	2010	2009	2008	2007	2006¹	2005
Cash and Temporary Investments ²	5,680	3,117	4,154	4,470	4,692	4,655
Net Patient Accounts Receivable	8,671	10,845	8,189	7,343	7,908	6,261
Other Current Assets	<u>3,105</u>	<u>3,461</u>	<u>3,900</u>	<u>3,406</u>	2,341	<u>2,067</u>
Total Current Assets	17,456	17,424	16,243	15,218	14,941	12,982
Non-Current Cash & Investments ²	9,596	8,428	9,855	10,175	8,973	7,752
Property and Equipment	13,718	15,577	17,156	18,116	16,154	16,246
Other Assets	<u>4,437</u>	<u>3,519</u>	<u>3,282</u>	<u>3,569</u>	3,733	<u>4,846</u>
Total Assets	45,206	44,948	46,537	47,079	43,800	41,827
Current Liabilities	9,039	12,340	11,207	11,642	9,964	9,237
Long-Term Debt	13,237	13,827	14,598	15,078	13,791	13,909
Other Non-Current Liabilities	1,466	-	-	-	-	-
Net Assets	<u>21,464</u>	<u>18,781</u>	<u>20,732</u>	<u>20,359</u>	<u>20,045</u>	<u>18,681</u>
Total	45,206	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						
	Twelve Months Ended June 30	Fiscal Years Ended June 30				
	2010	2009	2008	2007	2006	2005
Medicare	1.1106	1.2279	1.2182	1.3189	1.3052	1.2807
Medicaid	0.5512	0.6835	0.6354	0.6596	0.6213	0.6053
Blue Cross	0.7679	0.7722	0.6723	0.7686	0.9104	0.8234