

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):

\$11,775,000

Michigan State Hospital Finance Authority

Hospital Revenue Bonds, Series 2005A

Hills and Dales General Hospital Obligated Group

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

59465HCD6

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) 8 Paper (number of pages attached) _____

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

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):

\$1,775,000

County of Tuscola Hospital Finance Authority

Hospital Revenue Refunding Bonds, Series 2006A

Hills and Dales General Hospital Obligated Group

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

900777AA1

900777AB9

900777AC7

900777AD5

900777AE3

900777AF0

900777AG8

900777AH6

900777AJ2

900777AK9

900777AL7

900777AM5

900777AN3

900777AP8

900777AQ6

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): _____

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TYPE OF FILING:

Electronic (number of pages attached) 8 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 (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 Relationship to Issuer Dissemination Agent

Obligor Contact, if any:

Name Michael I. Falatko Title President and Chief Executive Officer
Employer Hills & Dales General Hospital
Address 4675 Hill Street City Cass City State MI Zip Code 48726
Telephone (989) 912-6240 Fax (989) 872-3820
Email Address mfalatko@hillsanddales.com Obligor Web Site Address www.hillsanddales.com

Investor Relations Contact, if any:

Name _____ Title _____
Telephone _____ Email Address _____

HILLS & DALES GENERAL HOSPITAL OBLIGATED GROUP
4675 HILL STREET
CASS CITY, MI 48726

OFFICER'S CERTIFICATE

DATED: FEBRUARY 15, 2010

This Officer's Certificate is delivered pursuant to:

- Section 5.10(d) of the Loan Agreement between Hills & Dales General Hospital (the Corporation) and the Michigan State Hospital Finance Authority (the State Issuer), dated as of December 15, 2005 (the 2005 Loan Agreement), delivered in connection with the Issuer's Hospital Revenue Bonds, Series 2005A (the Series 2005A Bonds);
- Section 3.07(d) of the Trust Indenture the Corporation and Wells Fargo Bank, N.A. as Trustee, dated as of December 15, 2005 (the 2005 Taxable Indenture), delivered in connection with the Corporation's Taxable Hospital Revenue Refunding Bonds, Series 2005 (the Series 2005 Taxable Bonds); and
- Section 5.10(c) of the Loan Agreement between the Corporation and the County of Tuscola Hospital Finance Authority (the County Issuer), dated as of January 25, 2006 (the 2006 Loan Agreement), delivered in connection with the Issuer's Hospital Revenue Refunding Bonds, Series 2006A (the Series 2006A Bonds).

All capitalized terms used herein are as defined in the documents cited above, or in a Master Indenture and Security Agreement between the Corporation and Wells Fargo Bank, N.A. as Master Trustee, dated as of December 15, 2005, or in other documents delivered in connection with the Series 2005A Bonds, the Series 2005 Taxable Bonds or the Series 2006A Bonds.

Pursuant to Section 5.10(d)(i) of the 2005 Loan Agreement, Section 3.07(d)(i) of the 2005 Taxable Indenture, and Section 5.10(d)(i) of the 2006 Loan Agreement, 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).

Pursuant to Section 5.10(d)(ii) of the 2005 Loan Agreement, Section 3.07(d)(ii) of the 2005 Taxable Indenture, and Section 5.10(d)(ii) of the 2006 Loan Agreement, attached are service volume and utilization data for the Fiscal Year quarter ended December 31, 2009.

Pursuant to Section 5.10(d)(iii) of the 2005 Loan Agreement, Section 3.07(d)(iii) of the 2005 Taxable Indenture, and Section 5.10(d)(iii) of the 2006 Loan Agreement, the undersigned certifies that:

1. I am the Chief Executive 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 Obligated Group'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.

In addition, pursuant to Section 5.10(d)(iv) of the 2005 Loan Agreement, Section 3.07(d)(iv) of the 2005 Taxable Indenture, and Section 5.10(d)(iv) of the 2006 Loan Agreement, management offers the following comments on the Obligated Group's financial condition and other matters:

1. Inpatient volumes lagged those in FY2009Q1, but the decline experienced over the past year appears to have leveled off. Outpatient volumes have increased compared to FY2009Q1, especially in the surgery and ER areas which are significant revenue generators in and of themselves, and which produce referrals for other Hospital services.
2. The expense reduction measures implemented by the Corporation during FY2009 are beginning to produce the intended results. Expenses are significantly under budget for FY2010Q1, in line with reduced revenue. Corporation management continues to control expenses aggressively.
3. Revenue during FY2010Q1 was down due to the temporary unexpected loss of orthopedic coverage, which has been rectified. In addition, the return of an ophthalmologist, expected in early autumn, was delayed five months due to unanticipated delays in the renovation of a building for his office. These two physicians generate an average of \$130,000 of gross revenue per month for the Corporation. The ophthalmologist's office is expected to open in February 2010.



Michael J. Falatko, President and Chief Executive Officer

HILLS & DALES GENERAL HOSPITAL OBLIGATED GROUP

Combined Balance Sheet

At December 31, 2009

	DECEMBER		CHANGE
	2009	2008	
Current Assets			
Cash and cash equivalents	1,024,398	1,577,101	(552,703)
Investments	2,716,266	591,751	2,124,515
Accounts receivable (less allowances)	1,348,241	729,633	618,608
Prepaid expenses and other	137,842	148,097	(10,255)
Inventory	303,140	324,538	(21,398)
Total Current Assets	5,529,887	3,371,120	2,158,767
Property and Equipment			
Plant, property and equipment	27,382,750	26,959,647	423,103
Less: accumulated depreciation	(14,557,119)	(13,457,584)	(1,099,535)
Total plant, property and equipment	12,825,631	13,502,063	(676,432)
Other Assets			
Equity investment in Northwood Meadows	339,318	339,318	0
Investment in land	733,440	733,440	0
Other	560,058	583,783	(23,725)
Total Other Assets	1,632,816	1,656,541	(23,725)
Restricted Assets			
Trustee-held funds	1,227,805	1,227,509	296
Trust investments pledged to Bank	500,000	500,000	0
Total restricted assets	1,727,805	1,727,509	296
Total Assets	21,716,139	20,257,233	1,458,906
Current Liabilities			
Current portion of long-term debt	161,183	128,223	32,960
Accounts payable	220,694	312,432	(91,738)
Accrued liabilities	2,205,240	1,268,040	937,200
Total current liabilities	2,587,117	1,708,695	878,422
Long-term Debt	14,102,822	14,116,240	(13,418)
Total Liabilities	16,689,939	15,824,935	865,004
Net Assets			
Unrestricted	4,526,200	3,932,298	593,902
Restricted	500,000	500,000	0
Net Assets before equity transfer	5,026,200	4,432,298	593,902
Equity transfer to parent	0	0	0
Total Net Assets	5,026,200	4,432,298	593,902
Total Liabilities and Net Assets	21,716,139	20,257,233	1,458,906

HILLS & DALES GENERAL HOSPITAL OBLIGATED GROUP

Combined Statement of Operations

	<u>MONTH ENDED DEC 31, 2009</u>		<u>THREE MONTHS ENDED DEC 31, 2009</u>	
	<u>THIS YEAR</u>	<u>LAST YEAR</u>	<u>THIS YEAR</u>	<u>LAST YEAR</u>
Unrestricted Revenue, Gains and Other Support				
Net patient service revenue	1,326,893	1,647,840	4,259,831	4,661,357
Other operating revenue	58,555	47,544	173,994	142,802
Total unrestricted revenue	<u>1,385,448</u>	<u>1,695,384</u>	<u>4,433,825</u>	<u>4,804,159</u>
Expenses				
Salaries and employee benefits	712,094	1,002,818	2,528,352	2,952,800
Operating supplies and expenses	323,886	340,087	899,145	1,093,758
Purchased services	115,180	47,764	399,133	286,877
Insurance	17,183	12,029	45,623	52,947
Depreciation and amortization	100,509	95,323	301,522	285,963
Provision for bad debt	63,695	65,605	216,524	255,703
Interest expense	74,237	65,213	245,477	212,394
Total expenses	<u>1,406,784</u>	<u>1,628,839</u>	<u>4,635,776</u>	<u>5,140,442</u>
Operating Income (Loss)	<u>(21,336)</u>	<u>66,545</u>	<u>(201,951)</u>	<u>(336,283)</u>
Non-Operating Revenue	<u>12,027</u>	<u>15,845</u>	<u>30,731</u>	<u>(40,559)</u>
Excess of Revenue over (under) Expenses	<u>(9,309)</u>	<u>82,390</u>	<u>(171,220)</u>	<u>(376,842)</u>
Equity Transfer	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Change in Net Assets	<u>(9,309)</u>	<u>82,390</u>	<u>(171,220)</u>	<u>(376,842)</u>

HILLS & DALES GENERAL HOSPITAL OBLIGATED GROUP

Combined Statement of Changes in Net Assets

	<u>MONTH ENDED DEC 31, 2009</u>		<u>THREE MONTHS ENDED DEC 31, 2009</u>	
	<u>THIS YEAR</u>	<u>LAST YEAR</u>	<u>THIS YEAR</u>	<u>LAST YEAR</u>
Net Assets on October 1, 2009	5,035,509	4,349,908	5,197,420	4,809,140
Change in Net Assets	<u>(9,309)</u>	<u>82,390</u>	<u>(171,220)</u>	<u>(376,842)</u>
Net Assets on December 31, 2009	5,026,200	4,432,298	5,026,200	4,432,298

**HILLS & DALES GENERAL HOSPITAL
STATEMENT OF REVENUE AND EXPENSE**

	MONTH ENDED DECEMBER 31, 2009					THREE MONTHS ENDED DECEMBER 31, 2009				
	ACTUAL		BUDGET		VARIANCE	ACTUAL		BUDGET		VARIANCE
	AMOUNT	%	AMOUNT	%	AMOUNT	AMOUNT	%	AMOUNT	%	AMOUNT
PATIENT SERVICE REV:										
Routine Serv-Inpatient	98,589	7.43	137,878	8.89	(39,289)	314,887	7.39	414,960	8.89	(100,073)
Ancillary Serv-Inpatient	154,966	11.68	298,681	19.27	(143,715)	608,359	14.28	898,920	19.27	(290,561)
Outpatient Services	1,896,171	142.90	2,161,303	139.43	(265,132)	6,008,048	141.04	6,504,713	139.43	(496,665)
T.A.H.C.A.	0	0.00	0	0.00	0	(151)	(0.00)	0	0.00	(151)
TOTAL PATIENT SERV REV	2,149,726	162.01	2,597,862	167.60	(448,136)	6,931,143	162.71	7,818,593	167.60	(887,450)
DEDUCTIONS FROM REV	822,833	62.01	1,047,798	67.60	(224,965)	2,671,312	62.71	3,153,479	67.60	(482,167)
NET PATIENT SERV REV	1,326,893	100.00	1,550,064	100.00	(223,171)	4,259,831	100.00	4,665,114	100.00	(405,283)
OTHER OPERATING REV	58,555	4.41	51,400	3.32	7,155	173,994	4.08	154,694	3.32	19,300
TOTAL OPERATING REV	1,385,448	104.41	1,601,464	103.32	(216,016)	4,433,825	104.08	4,819,808	103.32	(385,983)
OPERATING EXPENSES:										
Salaries & Emp Benefits	712,094	53.67	890,793	57.47	(178,699)	2,528,352	59.35	2,711,354	58.12	(183,002)
Professional Fees	79,800	6.01	71,422	4.61	8,378	259,703	6.10	209,307	4.49	50,396
Contracted Services	35,380	2.67	37,861	2.44	(2,481)	139,430	3.27	115,184	2.47	24,246
Supplies	129,251	9.74	162,247	10.47	(32,996)	410,721	9.64	488,307	10.47	(77,586)
Depreciation	99,957	7.53	100,005	6.45	(48)	299,867	7.04	300,054	6.43	(187)
Repairs & Maintenance	27,769	2.09	36,618	2.36	(8,849)	103,075	2.42	110,203	2.36	(7,128)
Insurance	17,183	1.29	26,944	1.74	(9,761)	45,623	1.07	81,094	1.74	(35,471)
Interest	74,237	5.59	79,776	5.15	(5,539)	245,477	5.76	240,096	5.15	5,381
Bad Debts	63,695	4.80	63,755	4.11	(60)	216,524	5.08	191,877	4.11	24,647
Other Expenses	165,855	12.50	169,303	10.92	(3,448)	382,134	8.97	428,975	9.20	(46,841)
TOTAL OPER EXPENSES	1,405,221	105.90	1,638,724	105.72	(233,503)	4,630,906	108.71	4,876,451	104.53	(245,545)
EXCESS OF OPER REVENUE OVER OPER EXPENSE	(19,773)	-1.49	(37,260)	-2.40	17,487	(197,081)	(4.63)	(56,643)	(1.21)	(140,438)
NON-OPERATING REV:	(1,999,152)	-150.66	6,541	0.42	(2,005,693)	(1,996,664)	(46.87)	19,684	0.42	(2,016,348)
NET INCOME BEFORE TRANSFER	(2,018,925)	-152.15	(30,719)	-1.98	(1,988,206)	(2,193,745)	(51.50)	(36,959)	(0.79)	(2,156,786)
Transfer to Parent	0	0.00	0	0.00	0	0	0.00	0	0.00	0
TOTAL REVENUE IN EXCESS OF EXPENSES	(2,018,925)	-152.15	(30,719)	-1.98	(1,988,206)	(2,193,745)	(51.50)	(36,959)	(0.79)	(2,156,786)

HILLS & DALES GENERAL HOSPITAL
SERVICE VOLUME AND UTILIZATION DATA
FY2010Q1

<i>Historical Acute Care Utilization</i>							
	<i>Three Months Ended December 31</i>		<i>Fiscal Years Ended September 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	25	25	25	25	25	25	25
Staffed Beds	25	25	25	25	25	25	25
Admissions	113	133	515	646	687	628	761
Patient Days	305	393	1,431	1,952	1,906	1,636	2,068
Average Daily Census	3.3	4.3	3.9	5.3	5.2	4.5	5.7
Average Length of Stay	2.7	3.0	2.8	3.0	2.8	2.6	2.7
Occupancy Rate ¹ (%)	13.3	17.1	15.7	21.3	20.9	17.9	22.7

¹ Based on Staffed Beds

<i>Historical Outpatient Services Volumes</i>							
	<i>Three Months Ended December 31</i>		<i>Fiscal Years Ended September 30</i>				
	<i>2009</i>	<i>2008</i>	<i>2009</i>	<i>2008</i>	<i>2007</i>	<i>2006</i>	<i>2005</i>
Emergency room visits	1,220	1,063	4,529	4,820	4,933	5,153	5,251
Home Care visits ¹	0	2,482	7,119	12,472	12,440	11,358	13,046
Employed physician practice visits	4,425	4,348	16,905	16,475	16,927	18,678	20,704

¹ Service discontinued on August 1, 2009

<i>Historical Ancillary Services Volumes Provided to Inpatients</i>							
	<i>Three Months Ended December 31</i>		<i>Fiscal Years Ended September 30</i>				
	<i>2009</i>	<i>2008</i>	<i>2009</i>	<i>2008</i>	<i>2007</i>	<i>2006</i>	<i>2005</i>
Laboratory procedures ¹	1,449	1,986	7,483	10,245	39,023	34,781	39,419
Radiology procedures	94	128	468	593	577	550	687
CT scan procedures	25	51	131	198	148	168	224
Ultrasound procedures	54	58	191	347	240	191	249
Nuclear medicine procedures	3	2	19	22	18	10	15
Respiratory procedures	2,028	2,412	9,366	12,745	13,517	12,376	16,871
Electrocardiograms	131	199	654	972	1,103	1,036	1,358

¹ The method of counting laboratory procedures was changed during FY2008, with conforming changes made to prior periods.

<i>Historical Ancillary Services Volumes Provided to Outpatients</i>							
	<i>Three Months Ended December 31</i>		<i>Fiscal Years Ended September 30</i>				
	<i>2009</i>	<i>2008</i>	<i>2009</i>	<i>2008</i>	<i>2007</i>	<i>2006</i>	<i>2005</i>
Laboratory procedures ¹	15,078	15,571	60,522	66,205	174,417	182,999	187,411
Radiology procedures	1,449	1,746	6,500	7,458	7,313	7,442	8,014
CT scan procedures	614	586	2,568	2,736	2,307	1,576	1,833
Ultrasound procedures	483	489	1,939	2,041	2,006	1,764	1,939
Nuclear medicine procedures	106	132	466	519	599	581	708
Bone Density examinations	32	58	190	202	183	117	
Respiratory procedures	3,076	2,349	10,935	11,404	12,605	12,544	11,943
Electrocardiograms	272	249	965	1,099	1,220	1,245	1,131
Electroencephalograms	38	30	135	112	139	132	119

¹ The method of counting laboratory procedures was changed during FY2008, with conforming changes made to prior periods.

Historical Outpatient Therapy Volumes							
	Three Months Ended December 31		Fiscal Years Ended September 30				
	2009	2008	2009	2008	2007	2006	2005
Physical Therapy procedures:							
Cass City	925	889	3,717	3,879	3,578	3,920	3,573
Caro	1,258	1,378	5,538	5,901	6,831	6,856	5,010
Total Physical Therapy	2,183	2,267	9,255	9,780	10,409	10,776	8,583
Occupational Therapy procedures:							
Cass City	79	61	249	527	403	607	507
Caro	106	84	286	315	250	563	422
Total Occupational Therapy	185	145	535	842	653	1,170	929
Speech Therapy procedures:							
Cass City	3	9	54	22	27	2	73
Caro	0	0	6	57	58	10	1
Total Speech Therapy	3	9	60	79	85	12	74

Historical Surgery Volumes							
	Three Months Ended December 31		Fiscal Years Ended September 30				
	2009	2008	2009	2008	2007	2006	2005
Inpatient procedures	19	45	132	174	156	187	260
Outpatient procedures	255	207	823	1,044	1,164	1,186	1,273
Total procedures	274	252	955	1,218	1,320	1,373	1,533
Percentage Outpatient	93.1%	82.1%	86.2%	85.7%	88.2%	86.4%	83.0%