Sometimes you have to look at things a little differently.
Putting creative ideas to work on behalf of our patients and clients has kept us very busy this year at Northeast Health System, and has resulted in growth on many fronts. We have grown in terms of physical space, adding capacity at Beverly Hospital in areas such as the Special Care Nursery and the new Endoscopy Suite. And we have grown in our capabilities and programs, adding important new services such as gastric bypass surgery, minimally invasive orthopedic procedures and a special inpatient unit for seniors in need of behavioral healthcare. You can read about many of these developments in this report.

But as we grow and change — and there will be more of both in the coming year — we fiercely guard the things about Northeast Health System that we wish to preserve: our role as an integral part of the community, the relationships between our caregivers and their patients, and our independence as a community-owned hospital. It is that local ownership that heightens our sense of responsibility.

We serve our patients and clients by protecting and supporting their relationships with their caregivers, by introducing new services carefully designed to meet their needs, and by constantly investing in facilities, equipment, and most importantly, clinical staff. All of these efforts are intended to improve our patients’ and clients’ access to care. We serve our physicians by continually enhancing our facilities and our programs to retain and attract skilled physicians, and by supporting them in their desire for personal accountability to their patients.

We serve employers who finance much of the care their employees receive from us, by adopting newly developed procedures and technology when they are clinically and economically feasible. We were not surprised by a recent study by Boston’s Pioneer Institute that showed that the quality of care in community hospitals is comparable to that in teaching hospitals, but on average costs 19 percent less.

As a community-owned and community-run hospital, we have brought complementary clinicians and programs to the Beverly Hospital campus by partnering with organizations such as Children’s Hospital Boston, Beth Israel Deaconess Hospital, and Lahey Clinic. These relationships allow Beverly Hospital to provide advanced, lifesaving capabilities to our system while avoiding costly duplication of what is offered at these other medical centers.

Thanks to the combined efforts of our outstanding caregivers, our exceptional staff, our many tireless volunteers, and the superb leadership of our Board of Trustees, that is a commitment that we fulfill wholeheartedly each and every day.

Northeast Health System (NHS) is a health & human services provider of care for the residents of the North Shore and Lower Merrimack Valley, with expertise in Acute Care, Long-Term Care, and Behavioral Health.
This report presents just a few of the countless ways that Northeast Health System thinks “outside the box” to benefit our patients and clients.

The physicians, nurses, and ancillary health professionals of Northeast Health System are privileged to be entrusted with the care of our patients, and we are determined to ensure that that trust is well placed. Quality of care and patient safety are not words that we take lightly. Rather, they represent a set of principles and a philosophy that are pervasive throughout our hospitals’ communities.

We are supported in these principles by a deep and multi-tiered infrastructure of people, groups, and activities that support quality. Committed leaders, experienced staff, and dedicated decision-makers work together to ensure that best practices in patient safety and quality are followed. The Board of Trustees has ultimate responsibility for safety and quality by ensuring that effective policies and procedures are in place and are followed. The Board takes this role very seriously, demonstrating that a commitment to quality, safety, and service is as important in the community hospital setting as in major medical centers.

Nationally, healthcare providers have been criticized for slow assimilation of information technology to benefit quality of care and patient safety. I’m happy to report that we are early adopters of technology. As you will read in this report, already most imaging procedures performed within the hospital system are in digital format, and images and reports are available in real-time at all points of service, including doctors’ offices.

Soon to be instituted will be “Computerized Physician Order Entry,” enabling all physicians orders for patient care, including prescriptions, to be entered by computer rather than by hand. This is one more step on the path to the ultimate goal: the paperless chart. The benefits of the paperless chart, in which all patient information is stored digitally (with proper protections for patient confidentiality, of course), are too numerous to mention here, but improved patient service and safety will be the most important benefit.

We are pleased to share with you the stories in this report, each of which represents but one way in which our medical staff has worked to improve and enhance care and service during the past year. There are countless more ways, each and every day, that the healthcare professionals of Northeast Health System demonstrate their commitment to quality, safety, and exceptional patient care.
As the needs for our services grow, so must our facilities. An extensive improvement plan for the Beverly Hospital campus is now underway. Among the results will be an expanded and redesigned Emergency Department; more and improved patient rooms; a larger Special Care Nursery; a new, state-of-the-art endoscopy suite; and expanded surgery and recovery areas. Plans also call for a parking garage with covered access to a new lobby.
“When the doctor said I would be swallowing a miniature camera, I thought, ‘I don’t think so.’ But it was easy, and they could finally see and repair where my internal bleeding was coming from. It was like a miracle, I have felt carefree ever since.”
Enlarging and improving our physical space is an important way to continue meeting our community’s needs. But expanding our space must go hand-in-hand with expanding our capabilities. We continually evaluate and enhance our services, carefully seeking out and bringing on board new physicians and other health professionals whose skills and expertise complement those of our experienced staff. New space, new services and new programs are all designed to offer our patients the best possible care.
“I spent several months working with the Lifestyle Management Institute, and I learned how compassionate and motivating the staff is. I decided to have the surgery because I knew they would stick with me afterward and continue to support me. I knew they wanted me to succeed.”

— Denise Casey, Danvers

America’s obesity problem — labeled an epidemic by some — has come to light in recent years. The estimated 65 percent of adults who are overweight or obese is fueling scores of diet books and weight-loss programs. Recently, gastric bypass surgery, in which the size of the stomach is surgically reduced, has been touted by some as the new “quick fix” for excess weight.

“This couldn’t be further from the truth,” says Thomas Johnson, MD, general surgeon at Beverly Surgical Associates and Beverly Hospital, who has begun performing gastric bypass surgery at the hospital. “The surgery is just one part of a comprehensive approach to weight loss,” he says. “To be effective, it has to be in the context of a much broader approach called lifestyle management.”

It is just such an approach that sets Beverly Hospital’s Weight Management Service apart from most others. Centered in the Lifestyle Management Institute, this program combines comprehensive evaluation and counseling to create individualized weight management plans for each patient. For some, the plan might include gastric bypass surgery. But for all patients, there are therapeutic exercise sessions, education classes, and individual and group counseling both during the weight loss portion of the program, and afterwards to help patients maintain a healthy weight.

“We’re unique in that the focus of our service is to understand all the facets of each patient that predispose them to this medical condition,” says Patricia Grady, RN, BSN, CRNS, director of the Lifestyle Management Institute. “It is an intensive interdisciplinary approach, bringing together nurses, specialists, exercise physiologists, surgeons, and medical doctors, psychologists and dieticians, each of whom work with patients individually and in groups.”

Patients who meet specific criteria, and who demonstrate sustained commitment to lifestyle changes, are referred for gastric bypass surgery. “The surgery is not a ‘cure’ for obesity,” says Dr. Johnson. “The procedure is only two hours long, and these patients will need to spend a lifetime maintaining healthy habits. That’s why we emphasize lifestyle management support. In the end, that’s really more important than the surgery itself.”
Taking good care of patients involves more than just using the latest technology and the best medical expertise, important as that is. It also means addressing patients’ needs for information, support, comfort and convenience.

At Northeast Health System, we continually strive not only to deliver excellent care, but also to do it in a way that supports patients and their families throughout their healthcare experience.
"My boys arrived six weeks early. Mark was okay, but Matthew needed help. He stayed in the Special Care Nursery for about a month, and the staff was amazing."

---

There truly is no place like home, but sometimes home is the last place you want to be. This is often the case for parents whose sick or premature babies are in Beverly Hospital’s Special Care Nursery (SCN), receiving the tender care they need to get bigger and stronger.

“Many parents want to be here with their baby as much as possible,” says Tai Tran, MD, medical director of the Special Care Nursery. “Our new nursery was designed to give parents that opportunity."

Opened in the fall of 2004, the newly renovated Special Care Nursery was specially designed to support family-centered care, which means the needs of families are explicitly addressed along with the baby’s needs.

“Each bed, or bay as we call them, is designed to comfortably accommodate the nurse on one side of the baby, and the family on the other,” says Dr. Tran. “On the family side is a glider or recliner, a private light for reading at night, and a personal refrigerator for breast milk or other small items.”

There are also two private family sleep rooms available, with a sofa bed, rolling beds, a TV and a shower. Private internet access is available to all families as well, for personal use, or to access medical information from websites the staff recommends. “We teach parents how to search the medical sites if they wish,” says Dr. Tran, “so they can do their own research.”

The new facility has increased the SCN’s capacity from eight bassinets to 12. Most babies are up to eight weeks premature. The SCN is the only one on the North Shore that offers CPAP, or continuous positive airway pressure, a ventilation technique to help premature babies who are having trouble breathing.

Through its affiliation with Children’s Hospital Boston, and with three full-time neonatologists on staff, the SCN offers babies state-of-the-art care. It offers families even more: the reassurance that comes from knowing their baby is in expert hands, and the comfort of being able to stay near their newest and tiniest family member until it’s time to go home.

"We offer the highest level of care for premature and ill newborns on the North Shore, and now we can provide families with all the support they need to stay with their babies as much as possible.”

Tai Tran, MD
Medical Director, Special Care Nursery
Healthcare is the most personal of services, delivered to each patient or client individually according to their needs. But sometimes there are categories of patients with similar needs. The best healthcare organizations find innovative ways to meet the needs of groups of patients, while maintaining the personal touch of one-on-one care.

Northeast Health System continually works to create programs and services where all patients' needs are met, together and one by one.
As people age, their medical needs change. While this seems like an obvious statement, embedded in it is an important notion: Older people have unique needs that must be met in unique ways.

This is the idea behind the opening of a new unit at Addison Gilbert Hospital specifically designed for senior behavioral healthcare. The Steele II Senior Adult Unit, with 12 beds designated for patients age 65 and older in need of both medical and behavioral healthcare, opened in October 2004.

“This unit serves the needs of older patients who are medically stable, but need attention for behavioral health issues such as depression,” says James Q. Purdy, LICSW, vice president of inpatient behavioral health services for Northeast Hospitals. “As people age they often experience acute loss, such as loss of a spouse, or a loss of sight or mobility. These losses can lead to isolation and depression, which really should be addressed in the context of the patient’s age and medical condition.”

A board-certified geriatric psychiatrist serves as the unit’s medical director. Other staff includes nurses, certified nurse assistants, a clinical specialist in geriatric psychiatry, social workers, recreational and occupational therapists and a physician available for medical consultations.

The unit itself has been specially designed to provide safety for elderly patients who may have memory or cognitive impairment, or physical limitations that make it difficult to accomplish everyday tasks. “The unit’s doorways swing both ways, and the bathrooms have been adapted for the elderly,” says Mr. Purdy. In addition, the unit is secured so that patients who get easily confused will not leave unescorted.

To assist patients in accomplishing the tasks of daily life, patients eat together in a common dining room, and have access to kitchen and laundry facilities where they can work with occupational therapists to regain or refine daily skills.

“It’s a very therapeutic atmosphere,” says Shirley Conway, RN, MSN, nurse manager of the unit. “Patients and their families seem very comfortable here.”

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“It’s a very therapeutic atmosphere,” says Shirley Conway, RN, MSN, nurse manager of the unit. “Patients and their families seem very comfortable here.”
The best physicians, nurses and other healthcare professionals are seldom content to rest with the status quo. Rather, they continually look for new and better ways to care for patients. So do the best healthcare organizations. That's why throughout Northeast Health System efforts are continually underway to enhance the professional capabilities of our staff, to help them grow in their knowledge, expertise and ability to provide the very best possible care to our community.
When it comes to their local emergency department, most people want two things: to know that it provides excellent emergency care, and never to need it. But since the unexpected is part of life, about 40,000 people visit the Beverly Hospital Emergency Department (ED) each year for care when a sudden illness or accident strikes.

Emergency care professionals are skilled at thinking and reacting quickly under pressure. And as new standards of emergency care are adopted, they must keep up with them in order to provide patients with the latest and best interventions. Which is just what the staff in the Beverly Hospital ED have been doing.

“We started working toward our Level III trauma designation about a year ago,” says Lori Hempstead, RN, director of emergency services. Trauma designations are made by the Commonwealth’s Department of Public Health, based on standards from the American College of Surgeons. Level III requires a rigorous effort to meet more than 250 challenging standards of care.

“When a ‘STAT’ call goes out, and an unstable patient arrives, everyone is notified simultaneously: the surgeon, the anesthesiologist, the respiratory therapist, the blood bank, the CT department and radiology, the lab and the pastor. Everything is carefully orchestrated to move the patient as quickly as possible through the system once they are here,” says Ms. Hempstead.

Most ED nurses are trauma-certified, meaning they have taken and passed rigorous courses of study and practice in emergency nursing. Each trauma patient in the ED is carefully followed by two trauma nurses and an emergency medicine physician. Trauma patients who are admitted are followed throughout their stay by the trauma program manager in addition to the nurses on the inpatient floor, and are visited daily by the trauma surgeon.

The ED staff is also upgrading its capabilities to care for stroke patients. “With stroke patients, time is critical,” says Ms. Hempstead. “They have to be evaluated quickly and accurately. If it’s a bleed, they need TPA (a clot-busting drug) within an hour, but not if it’s a clot. Accuracy is essential, and we take extreme care to get it right.”
Healthcare is a delicate blend of science, intuition and wisdom, supported by experience and, increasingly, technology.

New technology plays a critical role in moving medicine forward toward better diagnoses and treatments. Northeast Health System continually evaluates and implements new technologies that enhance our ability to provide the best and most appropriate "high-tech" care in a warm and friendly community hospital setting.
Physicians’ Offices That Have PACS Installed

Physicians That Currently Have PACS Installed at Home

The number of staff physicians currently using PACS is very high, and the technology facilitates easier collaboration, consultation, and support. Peter Curatolo, MD, Section Chief of Information Systems, Radiology

Digital imagery is everywhere these days, and is changing the nature of photography, movies, and medicine. The classic image of a doctor or two peering up at an x-ray held to the light will soon be a thing of the past. Today, doctors are more likely to be looking at an image on a computer screen, and the patient could be in the next room or across the country.

This is already the case at Beverly and Addison Gilbert hospitals and the Beverly Hospital Hunt Center, where the very latest digital imaging technology has been installed. Called PACS — for Picture Archiving and Communications System — this state-of-the-art technology converts x-rays and other clinical images into electronic form.

Widely used in large, metropolitan hospitals to store, transmit, retrieve and display clinical images, PACS enables clinicians to scan dozens of images, to easily retrieve previous images, and to send images to other clinicians.

“X-rays have always been on film, and if a doctor wanted to see one, he or she would have to go to the radiology department, or have the films shipped to the office,” says Peter Curatolo, MD, section chief of information systems and former chief of radiology. “Now, x-rays are obtained, viewed and stored digitally. It’s a huge advantage.”

But it is more than just an added convenience. “The images are better, and you can get more information from them,” says Dr. Curatolo. “And for an organization such as ours with multiple sites, it means we can link the sites electronically, and we can view x-rays at any location. This has really changed the way we practice radiology.”

Michael Tibbles, MD, an emergency services physician, says that PACS improves quality of care. “If a patient already has images in the system, I can call them up immediately and get important information about previous conditions. I’m also spending a lot less time sorting through films, which means I can spend more time with patients.”

Quality control is also enhanced by PACS — every x-ray read and interpreted by an emergency services physician is also read by the director of radiology, something that was harder to achieve consistently in “the old days” of x-ray films.
Healthcare is a delicate blend of science, intuition and wisdom, supported by experience and, increasingly, technology.

New technology plays a critical role in moving medicine forward toward better diagnoses and treatments. Northeast Health System continually evaluates and implements new technologies that enhance our ability to provide the best and most appropriate “high-tech” care in a warm and friendly community hospital setting.
Addison Gilbert Hospital and Beverly Hospital
• The Diabetes Care Center was awarded the prestigious American Diabetes Association (ADA) Education Recognition Certificate for operating quality diabetes self-management education programs. The Diabetes Care Center is certified by the ADA for a three-year period, and had previously achieved the recognition in 2001.
• The American College of Surgeons (ACS) honored Beverly and Addison Gilbert hospitals’ oncology services by granting them a three-year accreditation for its commitment to providing cancer patients with outstanding medical care.
• The Community Health Education Center (CHEC), the Massachusetts Department of Public Health and the Boston Public Health Commission awarded two employees Outstanding Outreach Educator Awards. Joanne Kimball, Community Liaison, Beverly Hospital and Sefatia Romeo, Community Liaison, Addison Gilbert Hospital, were awarded for their outstanding efforts and commitment to the community.
• Diane Glendon, along with her staff from the Lifeline program, were presented with the 2004 Exceptional Performance Award at Lifeline Systems’ Northeast Academy. The award recognizes demonstrated commitment to helping greater numbers of at-risk elders stay safely in their own homes.
• Beverly Hospital’s Volunteer Doula Program, which assists pregnant women who don’t have support systems, was selected as the recipient of the North Shore/Cape Ann Community Health Network Grant. The Beverly Hospital Doula Program is one of 12 varied recipients who have received the award to help reduce barriers to receiving healthcare.

BayRidge Hospital
• A Letter of Commendation from the Commissioner of the Department of Mental Health was given to Northeast Hospital for the reduction of restraint usage at BayRidge Hospital.

North Shore Birth Center
• Linda Anne L’Abbe, CNM, Director of the North Shore Birth Center, received the American College of Nurse Midwives (ACNM) Foundation Leadership Development Award.

Northeast Physician Hospital Organization
• The Northeast PHO made the 2004 Harvard Pilgrim Health Care’s Physician Group Honor Roll in recognition of outstanding commitment to high-quality care. The PHO achieved a rating of “Excellent” which means the PHO exceeded the national 95th percentile performance for 8 out of the 10 selected preventive and chronic care HEDIS measures.
• For Tufts Health Plan, the Northeast PHO received a “4-star” or “Excellent” rating in its 2004 Physician Quality Profile for breast cancer screening, cervical cancer screening, and pediatric and adolescent well-visits.
• The Northeast PHO physicians of The Medical Group were recognized by NCQA’s Bridges to Excellence Program for meeting the Physicians Practice Connections Performance Assessment Measures.

The Herrick House
• The Herrick House received Re-Certification from the Executive Office of Elder Affairs. This certification is good through March 2006.

Congratulations to all on the 33 special awards and recognitions earned this year.
Heritage at Danvers
- Heritage at Danvers has been certified by the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) this year. JCAHO accreditation helps ensure continued integration of quality improvement principles in their daily operations, and improve resident health outcomes. Heritage at Danvers and The Hitchcock House are the only two free-standing assisted living facilities in Massachusetts to receive such an accreditation.

Ledgewood Rehabilitation and Skilled Nursing Center
- Ledgewood Rehabilitation and Skilled Nursing Center was awarded the Greater Salem and Beverly Area Best Business for 2004 from the Market Survey of America (1st Year Running).
- Danneo Expaurd from Ledgewood Rehabilitation and Skilled Nursing Center's LPN program received an employee award at the Massachusetts Extended Care Federation Annual Meeting, the Massachusetts Professional Advocacy Group for Long-Term Care.

CAH Health & Recovery Services
- Warren Truoman of CAH Health & Recovery Services' Methadone Clinic received the Outstanding Outreach Educator Award. The award was from the Boston Public Health Commission and the Mass. Dept of Public Health.
- CAH Health & Recovery Services was among 30 treatment sites chosen to participate in a national initiative to improve access, convenience and best practices in addiction treatment centers. The project, called "The Paths to Recovery Learning Collaborative," is co-funded by the Robert Wood Johnson Foundation® (RWJF) and the (national) Center for Substance Abuse Treatment (CSAT).

<table>
<thead>
<tr>
<th>Health &amp; Education Services</th>
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<tbody>
<tr>
<td>• The Center for Disease Control (CDC) awarded CAH Health &amp; Recovery Services $621,499 per year for five years, totaling $2.45 million. The funds will be used to provide HIV/AIDS prevention services to North Shore women at high risk for HIV infection.</td>
</tr>
<tr>
<td>• Last Dian of CAH Health &amp; Recovery Services Transitions Program was recognized by the Greater Lawrence Family Health Center for his work with adult address in Lawrence.</td>
</tr>
<tr>
<td>• NIDA's (National Institute on Drug Abuse) clinical trials network recognized CAH Health &amp; Recovery Services Dr. Michael Levy, director of clinical treatment services, for serving for two years on the clinical trials network's national meeting committee and operation coordinating committee. Also, Dr. Levy was asked to participate on a planning group to develop a research protocol that will focus on working with substance abusers who have comorbid attention deficit hyperactivity disorder.</td>
</tr>
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Health & Education Services
- Lucinda Nolet, director of Health & Education Services' Serenity Supportive Housing received The Ash Housing Corporation, Ash Housing Award for personal commitment in addressing the supportive housing needs of people living with HIV/AIDS. |
- The Peter and Deborah G. Tower Foundation awarded Health & Education Services with a $17,969 grant for the Bridge Program. This pilot program will train front line youth workers in trauma awareness, develop a reporting tool and link children and families to community-based trauma support services. Gloucester is the target community. |
- Health & Education Services' North Shore Rape Crisis Center was awarded $5,000 for a Community Health Improvement Grant for medical advocacy from the Community Health Network of the Greater Beverly/Gloucester Area and The North Shore.

Northeast Health System, Inc. and Affiliates

Combined Statements of Operations: Years ended September 30, 2004 and 2003

<table>
<thead>
<tr>
<th>2004</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Unrestricted revenue and other support:</strong></td>
<td></td>
</tr>
<tr>
<td>Net patient service revenue</td>
<td>$283,273,462</td>
</tr>
<tr>
<td>Other revenue</td>
<td>$12,070,532</td>
</tr>
<tr>
<td>Net assets released from restrictions used for operations</td>
<td>$883,500</td>
</tr>
<tr>
<td><strong>Total unrestricted revenue and other support</strong></td>
<td>$296,227,514</td>
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<tr>
<td><strong>Expenses:</strong></td>
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<tr>
<td>Salaries and wages</td>
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<tr>
<td>Physician salaries and fees</td>
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<tr>
<td>Fringe benefits</td>
<td>$29,938,117</td>
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<tr>
<td>Supplies and contracted services</td>
<td>$86,084,133</td>
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<tr>
<td>Uncompensated care pool assessment</td>
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<tr>
<td>Provision for bad debts — net</td>
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<tr>
<td>Depreciation and amortization</td>
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<tr>
<td>Interest</td>
<td>$3,772,960</td>
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<tr>
<td><strong>Total expenses</strong></td>
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<tr>
<td><strong>(Loss) Income from operations</strong></td>
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<tr>
<td><strong>Nonoperating gains – Net</strong></td>
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<tr>
<td><strong>Excess of revenue and gains over expenses</strong></td>
<td>$9,186,064</td>
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<tr>
<td><strong>Other changes in unrestricted net assets:</strong></td>
<td></td>
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<tr>
<td>Net assets released from restrictions used for operations</td>
<td>$883,500</td>
</tr>
<tr>
<td>Other revenue</td>
<td>$12,070,532</td>
</tr>
<tr>
<td><strong>Excess of revenue and gains over expenses</strong></td>
<td>$10,054,032</td>
</tr>
<tr>
<td><strong>Change in unrestricted net assets</strong></td>
<td>$19,190,037</td>
</tr>
</tbody>
</table>

Heritage at Danvers
- Awards totalling more than $658,000 for its programs.
## Northeast Health System, Inc. and Affiliates

### Combined Balance Sheet: Years ended September 30, 2004 and 2003

<table>
<thead>
<tr>
<th>Assets</th>
<th>2004</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$21,881,427</td>
<td>$20,483,947</td>
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<tr>
<td>Patient receivables, less allowance for uncollectible accounts of $5,458,000 in 2004 and $5,385,000 in 2003</td>
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<td>$28,903,993</td>
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<tr>
<td>Current portion of assets whose use is limited or restricted</td>
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<td>$1,144,315</td>
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<tr>
<td>Supplies at cost</td>
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<tr>
<td>Prepaid expenses and other current assets</td>
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<tr>
<td><strong>Total current assets</strong></td>
<td><strong>$65,499,481</strong></td>
<td><strong>$60,203,886</strong></td>
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<tr>
<td>Assets whose use is limited or restricted:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Board designated investments</td>
<td>$3,680,393</td>
<td>$3,307,343</td>
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<tr>
<td>Assets held by trustee under bond indenture agreements</td>
<td>$4,520,157</td>
<td>$15,625,443</td>
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<tr>
<td>Donor-restricted assets for specific purposes</td>
<td>$7,670,149</td>
<td>$6,039,725</td>
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<tr>
<td>Donor-restricted assets for permanent endowment</td>
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<tr>
<td><strong>Total assets whose use is limited or restricted</strong></td>
<td><strong>$22,116,797</strong></td>
<td><strong>$30,947,259</strong></td>
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<tr>
<td>Property, plant and equipment – Net</td>
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<td>$302,145,282</td>
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<tr>
<td><strong>Total assets</strong></td>
<td><strong>$396,484,797</strong></td>
<td><strong>$363,394,416</strong></td>
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<tr>
<td>Other assets:</td>
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<td></td>
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<tr>
<td>Unamortized financing costs</td>
<td>$2,144,922</td>
<td>$2,313,754</td>
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<tr>
<td>Long-term investments</td>
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<td>$68,100,313</td>
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<tr>
<td>Other noncurrent assets</td>
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<td>$13,983,922</td>
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<tr>
<td><strong>Total other assets</strong></td>
<td><strong>$92,446,525</strong></td>
<td><strong>$84,397,989</strong></td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$296,944,797</strong></td>
<td><strong>$277,694,416</strong></td>
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</table>

<table>
<thead>
<tr>
<th>Liabilities and net assets</th>
<th>2004</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>$17,412,822</td>
<td>$12,606,016</td>
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<tr>
<td>Accrued wages and vacation payable</td>
<td>$12,481,711</td>
<td>$11,606,769</td>
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<tr>
<td>Accrued interest expense</td>
<td>$488,592</td>
<td>$496,675</td>
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<tr>
<td>Estimated third-party settlements</td>
<td>$14,140,415</td>
<td>$13,135,847</td>
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<tr>
<td>Current installments on long-term debt</td>
<td>$4,144,940</td>
<td>$4,170,537</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>$910,512</td>
<td>$1,158,523</td>
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<tr>
<td><strong>Total current liabilities</strong></td>
<td><strong>$49,619,032</strong></td>
<td><strong>$43,174,187</strong></td>
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<tr>
<td>Other liabilities:</td>
<td></td>
<td></td>
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<tr>
<td>Accrued pension liability</td>
<td>$11,843,149</td>
<td>$15,993,522</td>
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<tr>
<td>Post-retirement medical benefits</td>
<td>$5,569,783</td>
<td>$5,641,802</td>
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<tr>
<td>Other noncurrent accrued liabilities</td>
<td>$2,191,162</td>
<td>$2,135,467</td>
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<tr>
<td><strong>Total other liabilities</strong></td>
<td><strong>$20,004,094</strong></td>
<td><strong>$23,770,791</strong></td>
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<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>$149,831,350</strong></td>
<td><strong>$151,867,767</strong></td>
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<tr>
<td>Net assets:</td>
<td></td>
<td></td>
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<tr>
<td>Unrestricted</td>
<td>$133,002,213</td>
<td>$113,812,176</td>
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<tr>
<td>Temporarily restricted</td>
<td>$7,865,116</td>
<td>$6,039,725</td>
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<tr>
<td>Permanently restricted</td>
<td>$6,246,098</td>
<td>$5,974,748</td>
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<tr>
<td><strong>Total net assets</strong></td>
<td><strong>$147,013,447</strong></td>
<td><strong>$125,826,649</strong></td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$296,944,797</strong></td>
<td><strong>$277,694,416</strong></td>
</tr>
</tbody>
</table>
Alleviation of Asthma
James F. Goss, M.D.
Paul J. Hanvey, M.D.
C. William Hopper, M.D.
James D. McGee, M.D.
Andrew T. Ohl, M.D.

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Lee A. Bown, M.D.
Alexa A. Bown, M.D.

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Vascular Surgery
Kermit L. Zinn, M.D.

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Addison Gilbert, Beverly and BayRidge hospitals have a combined total of 341 licensed beds.
The Special Care Nursery unit opened in 1990 and has been operating for 14 years.

The Herrick House are the only two free-standing JCAHO certified assisted living facilities in Massachusetts to receive such an accreditation.

The Special Care Nursery unit opened in 1990 and has been operating for 14 years.

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Northeast Health Foundation's service area covers a broad range of communities, from the Merrimack Valley, throughout the North Shore, and south to Boston.

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Addison Gilbert, Beverly and BayRidge hospitals boast a medical staff of more than $700 physicians.

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