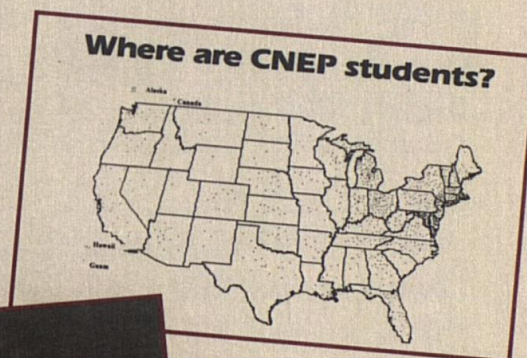




Celebrating 72 Years of Service



Yesterday



Today

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Cover: Nurses on horseback, FNS jeep, FSMFN Class of 1975, Mary Breckinridge Hospital, FNS Tracker and CNEP map (location of CNEP graduates). *Photos taken by FNS staff.*

Frontier Nursing Service Quarterly Bulletin

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The Frontier Nursing Service

If you have never been introduced to the Frontier Nursing Service we would like to take this opportunity to brief you on the history and the on-going work of the Service. We encourage you to share this Bulletin with a friend.

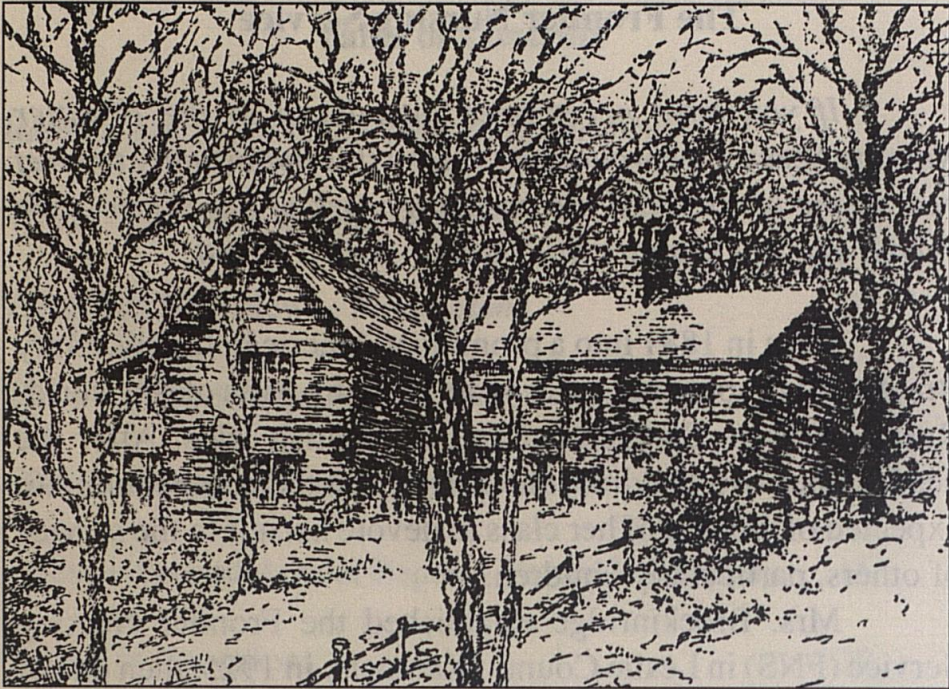
Born in 1881 into a prominent American family, Mary Breckinridge spent her early years in many parts of the world—Russia, France, Switzerland and the British Isles. After the death of her two children, she abandoned the homebound life expected of women of her class to devote herself to the service of others, particularly children.

Mrs. Breckinridge established the Frontier Nursing Service (FNS) in Leslie County, Kentucky in 1925, then one of the poorest and most inaccessible areas in the United States. Mrs. Breckinridge introduced the first nurse-midwives in this country. Riding their horses up mountains and across streams in blizzard, fog or flood, the FNS nurses brought modern healthcare to families throughout an area of 700 square miles.

Until her death in 1965, Mary Breckinridge was the driving force behind the work of the Service whose influence today extends far beyond eastern Kentucky. Through the Frontier School of Midwifery and Family Nursing hundreds of nurses have been trained and this important concept of family healthcare has been carried throughout the world.

Today the FNS is organized as a parent holding company for Mary Breckinridge Healthcare Inc., home health agency, four outpost clinics, one primary care clinic in the hospital, Kate Ireland Women's Healthcare clinic and for the Frontier School of Midwifery and Family Nursing - the largest midwifery program in the United States.

Remarkably, the purpose and philosophy of the FNS has remained constant since 1925. -Deanna Severance, CEO



The Big House - Home of Mary Breckinridge



Mary Breckinridge - Founder of the FNS

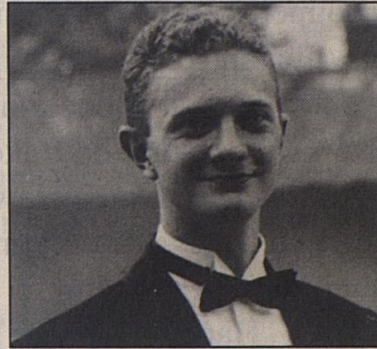
Wendover News

by - *Jeremy T. Bush*

We regret to write that Susie Hudgins, former author of Wendover News, has resigned from her position at FNS. We all miss her.

I have been designated to write Wendover News. I may not be as witty as Susie, but I try.

I have been a life-long resident in the beautiful mountains of Southeastern Kentucky and am a Sophomore at Union College in Barbourville, Kentucky.



Kentucky's surly weather

Here we are in August again. The squirrels are searching diligently for those last minute goodies to hoard away for winter. The geese will soon be soaring overhead on their way south and it has been hotter than a woodpecker's bill on a locust post around here. Practically everything has been sweating, panting, or screaming because of the heat. Why, not long ago I found poor little Peach (Wendover resident cat) panting like a Saint Bernard!

We do have one hope. I have found Kentucky's weather to be as consistent as a chronic schizophrenic. We will have a month or so of spring then, BOOM, summer. So, I guess it is like I have always heard, "if you don't like Kentucky's weather, just stick around; it'll change!"

Visitors/Dinners

I had the pleasure of taking care of the guests while Karen Thomisee was away on vacation. (I appreciate her more, now that she is back!) I met many interesting people while filling in for her. Among those guests were Louanne Watley,

the Freeman Family and Monica Luke from The Thompson Foundation.

Louanne Watley from Chapel Hill, North Carolina dropped by on July 31. In talking with her, I found that she was a writer and photographer. She had recently composed a book which was a collection of poems written by Appalachian women. Louanne had taken the poems, in the authors' handwriting, and meticulously sewed them into the book. This book was a grand collage celebrating the Appalachian woman. I wish her luck with her writing.

Harold Freeman and his family, from Louisville, Kentucky stayed with us on July 29. They were passing through and found Wendover to be the only place to stay in Hyden! They were happy to find that we were free to keep them that night. They had a wonderful stay (except for the feather pillows!). I found that Mrs. Freeman had been a nurse. That irony leads me to say, "Where Else but Here?"

Monica Luke from The Thompson Charitable Foundation and her friend Jennifer lodged with us on August 1. They stayed here during the Bluegrass Festival.

During the past few months we have had several dinners including one with the Mary Breckinridge Festival Committee members.

We have had the pleasure of hosting two Midwifery Bound dinners in August. These students come from all regions of the continental United States. How happy Mrs. Breckinridge would have been to see all of those faithful students of midwifery walking around the grounds of Wendover. Her dream and her heart would surely have been fulfilled.

The "Shirt" miracle

Jane Eppes and her mother and father from Knoxville, Tennessee, brought us bagfuls of a miracle. Jane is a member of the National Society of Daughters of Colonial Wars who have been extremely generous to FNS and have made us their

national project. Jane had received 35 shirts during her participation with the March of Dimes Walk America and she asked Deanna Severance if FNS had a need for the shirts. Mrs. Severance was delighted with the offer and assured Jane that they would be put to good use. After a series of events, those 35 shirts multiplied into not 50, not 100 but 600! The shirts were given to employees and to Home Health patients. We thank Jane Eppes, Daughters of Colonial Wars, the March of Dimes, and the Knoxville Track Club for their wonderful generosity.

Local activities

On August 8th Mary Breckinridge Healthcare hosted its second annual health fair at the Richard M. Nixon Recreation Center just three miles from Wendover. It was an even greater success than last year and many people took advantage of the free services offered.

On August 1, the Hyden Citizens Bank and the Leslie County Fiscal Court hosted the Osborne Brothers Bluegrass Festival featuring the Osborne Brothers. There were several more performances by bluegrass groups including Ralph Stanley & the Clinch Mtn. Boys, J. D. Crowe & New South, Reno Brothers, Larry Sparks & The Lonesome Ramblers. Local groups included Shawn Brock, Charlie Sizemore, Kenneth Witt & Northfork, and Vernon Couch & Friends.

Habitat for Humanity - "Hammering in the Hills"

It was a celebrated day in Hyden on June 18 when former President Jimmy Carter and his wife, Roselyn, came to Hyden for Habitat for Humanity's "Hammering in the Hills" event.

Deanna Severance and Barb Gibson attended the event. Barb served on the original Board of Directors when Habitat was formed and was so proud to see "Hammering in the Hill" come to Leslie County.

Peach and Trish update

I am happy to report that there has been "peace in the valley" at Wendover. Peach keeps to himself and so does Trish. Peach roams about during the night then catnaps throughout the day. Trish holes up in her favorite spot, barely visible, just upon the hill outside the Garden House. Maybe this hot, humid Kentucky weather has some benefit after all. Trish and Peach are too hot and lazy to argue!

Wendover picnic

On June 6, Deanna Severance decided that all Wendover employees would have a well deserved picnic. What a day we had! There was plenty of food, fun and food scraps for Mae's dog Otis.

Our picnic began at 12 noon. Barb was assigned to the grill and worked like a little beaver to barbecue pork, chicken and hamburgers. After everyone stuffed themselves like Christmas turkeys, there was a round of horseshoes. Dr. Anne sure had lots of iron slapping fun trying to make every round a "ringer".

Everyone left filled to the brim and with high spirits. When Mae got home, Otis was a happy pup! -*Jeremy T. Bush*



Dr. Anne trying to make a "ringer"

FSMFN/CNEP News

by - Susan Stone, CNM, Acting Program Director

Late August at Midwifery Bound in Hyden, Kentucky, wearing a sweatshirt and sensing early fall. What a blend of old and new! Surrounded by history and tradition but looking forward to the future of increased numbers of nurse-midwives and therefore increased health care choices for families.

Midwifery Bound is the five day orientation for new midwifery students. Students this August traveled from Hawaii, California, Maine, New York, Illinois, Ohio, Maryland, Colorado and Wisconsin to come and start midwifery studies. This class also had four students from Kentucky. A school bus rented from the Hyden School District met the students at the Lexington Airport. They arrived at the School in the evening, tired but excited to have finally arrived at the birthplace of nurse-midwifery in America. Instructors also traveled from far and wide including California, Oregon, Colorado, Illinois, Wisconsin, Pennsylvania, New York, Maine, Maryland and Georgia as well as one local instructor who lives right here in Hyden, Kentucky.

This very geographically diverse group of women were all gathered together for five days for a single purpose, to create midwives either through beginning their own nurse-midwifery education or through participating as an educator. Activities included listening to lectures about the history of midwifery, learning to negotiate, planning their clinical experience, defining state regulations affecting midwives, learning to use visualization, orientation to specific courses as well as songs, skits, a picnic and swimming at the Nixon Center. Classes are held in the Mardi Classrooms as well as in the Dr. Anne Wasson Room in our wonderful renovated Barn (the former home of the FNS horses).

A very special event at each Midwifery Bound is when we bring all the students together at the Big House at Wendover.

The home of Mrs. Breckinridge brings incredible feelings of our roots as for all midwives, and especially for our new students, as they begin the pathway that, for many of them, has been a lifelong dream. Mrs. Deanna Severance, President of the FSMFN, is a fountain of information regarding the history of the FNS. She tours the students in groups through the Big House providing historical information that fascinates the students. We continue to uphold tradition by beginning dinner with "Amazing Grace". The dinner discussions always bring stories for the students. Two very special participants attend these dinners and are able to provide first hand stories of the past. These include our own instructor, Kitty Ernst, CNM, founder of CNEP, and 1952 graduate of the FSMFN. Our other important guest and expert story teller is Dr. Anne Wasson who came to the Frontier Nursing Service in 1969 as a Family Practice Physician and at one time was the Director of the School.

During this Midwifery Bound, I had the honor of staying at the Big House. While prowling through the books on the many bookshelves, I came across the FNS Quarterly Bulletins from 1930 through the present. As I perused the many articles and stories, I was fascinated by the historical news and tales. I picked some special excerpts and when the students were at the Big House for dinner, we all sat in the living room after dinner and instructors took turns reading these excerpts. Everyone there enjoyed this and we all learned just a little bit more about the hard work that was done by Mrs. Breckinridge to improve the health care in these Kentucky mountains.

On a beautiful sunny Sunday morning, the students and instructors packed their suitcases and gathered outside the chapel for last minute good-byes and "Circle Up". "Circle Up" is one of the School's traditions. All students, staff, and instructors come together and link arms. There is a quiet time where anyone is invited to either just think or to share their feelings. We frequently end the "Circle Up" by singing the CNEP song.

Then each student walks around the chapel and rings the chapel bell. When the bell rings in Hyden it means one of two things; either a student is starting midwifery studies or a midwife has graduated from the FSMFN (when students return to graduate, they also ring the bell).

Our next endeavor is graduation which will be held in Hyden on October 19, 1997. -Susan Stone

CNEP - Community Lessons

I remember Kitty saying that it isn't our computer that will be teaching us midwifery but our community. I am finding this true in so many ways. It is so clear that I am building on the base of living in this small town in Vermont. I am finding receptivity from the women who work in the grocery store when I talk about midwifery as they've seen me zoom through the store with kids in tow. The general practitioner who is caring for my father-in-law just opened her doors to the first CNM practice in this area. The support of friends who help my kids from baseball to soccer and who meet me at the local pool asks me how the pharmacology exam went. They are like angels in my day. I find strength from the mountains when it all seems a bit too much. Even my overgrown garden reminds me that the perennials survived the winter and will give their healing tinctures in spite of the weeds.

I know that each time has its own season of productivity which helps my perspective about finding my own rhythm and trusting that all will work together for good . . .

But too, I marvel and am thankful to the CNEP community that brings help, support, information and nurturing. I wonder if part of becoming a midwife doesn't also entail midwifing ourselves, and allowing others to midwife us . . . I am very grateful for all those weavers of midwifery that made this program possible for me to do today. I couldn't do this if I had to move. The resources at hand are teaching me so much

. . . I am learning much more than what goes into the modules. But, maybe someone knew that at the start. Thanks to this midwife community. *-Martha Redpath, CNEP student*

"One reason to choose CNEP"

The following is a recent conversation on the FSMFN Bulletin Board System, between Joani Slager, CNEP Faculty, and Sherri Benson, CNEP Class 14, student regarding the NACC Birth Center Course.

". . . it was the birth center course of CNEP's courses that helped me make my decision to choose CNEP over University of Illinois in Chicago, among other things such as the clinical requirements. One MD I talked to said that it was a waste of time, because that is what you hire office managers for, but then in the next sentence he said that he wished he had some type of business management course.

Thank you Kitty, for yet another reason CNEP is a wonderful school!! *-Sherri Benson/Joani Slager*

Editor's Note

This Quarterly Bulletin was mailed late due to a delay in the Auditor's report. Also, "Beyond the Mountains" is not included in this issue due to limited space.

Courier Program News

by - *Karen Thomisee*

This summer has flown by and we are already saying good-bye to another group of Couriers! Summer is always a special time to be in Leslie County, and our most recent crew will take home memories of swimming in the pool and in the river, July 4th fireworks, square dances, the Osborne Brothers Homecoming Festival, many long evenings in conversation on the Garden House porch and the hot and humid Kentucky weather. Jen, Nina, Stacy, Ashley and January successfully navigated their way through an array of dinners and animal adventures during my absence on vacation. I enjoyed my vacation in North Carolina, but it feels good to be back at Wendover with Trish and Peach! Here is more about what the Couriers have been up to:

Jennifer Duckett joined us as a pre-med rising senior at Duke University in Durham, North Carolina. Jen is originally from the Appalachian mountains of North Carolina and has enjoyed the opportunity to explore the hills of Kentucky. She was a regular on Home Health visits as well as at Hyden Clinic. She also enjoyed shadowing our social worker, Karen Sallee. In her spare time she diligently stitched labels into countless baby caps!

Nina Ross, a pre-med junior, joined us from Berwyn, Pennsylvania and attends Yale University. Nina immediately involved herself by organizing and teaching dance workshops in the summer school program. Nina, whose interest is in family practice, divided her time between Beach Fork Clinic, Dr. Jean Sullivan and Home Heath visits.

Stacy Boyd came to us from Sarasota, Florida, where she is a senior at New College. She is originally from LaGrange, Georgia. Stacy, an anthropology student, lived the life of a midwife by attending births with Betsy MacMillan, CNM.

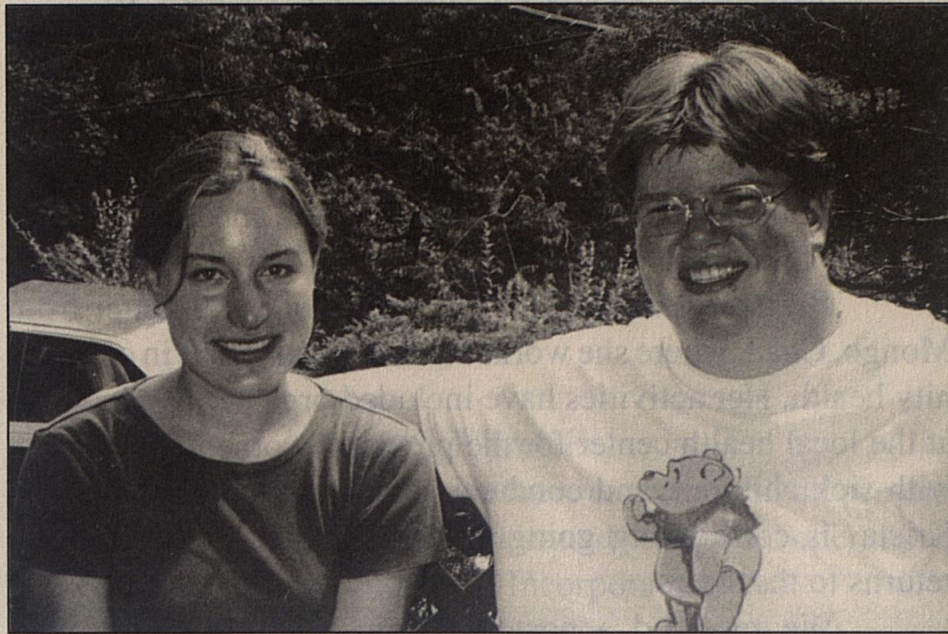
Stacy also conducted interviews with women in the region on their birth experiences and still found time to eat Cinda Morgan's home cooked meals and tutor her in reading.

Ashley Kidd is a sophomore at Williams College in Massachusetts and claims New York City as home. Ashley's interests include social work and health care. While in Leslie County, she involved herself in Home Health and Hyden Clinic. She also shadowed Susan Ziegler, FNP, at Community Health Center and Karen Sallee, MBHC social worker. In her spare time Ashley tutored Huta Youssef (Dr. Youssef's mother - Family Practice Physician in the Hyden Clinic) in English and ate tons of Huta's amazing Syrian home cooking! She also learned to hand build a rocking chair. The Courier craft tradition continues!

January Simpson, from Huntington, West Virginia, joined us as a soon-to-be senior at Hanover College in Indiana. January is interested in medicine and philosophy. She spent much of her time visiting Home Health patients with Lisa Terry, RN. January was also a companion to Edith Wooton, a fearless keeper of our animals and an aspiring quilter!



Stacy Boyd, Jennifer Duckett, Nina Ross



Ashley Kidd and January Simpson

Former Couriers

Karen Mangold ('97) wrote us recently from her home in Rochester, New York, and sounds quite homesick for Kentucky. She has put her quilting skills to work making pillows but says she is afraid the memories of sitting around the television room with all the Couriers sewing together will flood in whenever she tries to put a pattern together.

Our congratulations goes out to *Beth Muzzy ('97)* who will enroll in nursing school this fall in Burlington, Vermont. She continues to educate herself in midwifery as she prepares to become a midwife. Beth wrote and said she is burned out on the city and finds herself way too often daydreaming of Wendover. She said she misses Kentucky, FNS and all the wonderful people she met here.

Katie Gamble ('96) wrote and said that she is applying to medical school next year and is still considering obstetrics. She said she will always remember the lessons about life and healing that she learned at FNS.

Jenny Cox ('96) has finished her first year of nurse-midwifery school at the University of Pennsylvania. Jenny wrote and said that being at FNS helped her gain respect for nurses and the discipline of nursing. She said it is almost unimaginable how many roles nurses fit into, and she has yet to discover them all.

Krista Nickerson ('95) wrote a wonderful letter from Mongo, Chad, where she works for the Peace Corps in community health. Her activities have included organizing education at the local health center for the pregnant women and women with sick children, and conducting research on malnutrition. Krista is considering going to midwifery school when she returns to the states.

We received a postcard from **Sonja Herbert ('92)** letting us know that she is pursuing a Masters in Public Health degree in Berkeley, California.

We had a wonderful visit with **Sandy Schreiber (Sandy Gray, '57)** when she dropped by Wendover. Sandy resides in Louisville and is a Trustee of the Frontier Nursing Service.



Damonica Huff ('93) married Ken Steven Partin on July 26, 1997. Their rehearsal dinner was held at the Big House. Damonica is a student at the University of Kentucky and is the only person from Leslie County to serve as a FNS Courier.

**SEVENTY-SECOND ANNUAL REPORT
OF THE
FRONTIER NURSING SERVICE, INC.**

**for the Fiscal Year
May 1, 1996 to April 30, 1997**

PREFACE

As has been our custom since we were one year old, we present our annual report of the fiscal affairs and of the field operations of the Frontier Nursing Service, Incorporated.

We have, as in previous years, divided our report into two sections. One section is about money, and one is about work.

FISCAL REPORT

The figures that follow are taken from the Balance Sheet, the Exhibits and Schedules of the Audit for the fiscal year which ended April 30, 1997.

INDEPENDENT AUDITOR'S REPORT

To the Board of Governors
FNS, Inc. and Affiliates
Wendover, Kentucky

We have audited the accompanying combined statement of financial position of FNS, Inc. and Affiliates as of April 30, 1997, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility the Service's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of FNS, Inc. and Affiliates for the year ended April 30, 1996, before they were restated for the matter discussed in Note 9 to the financial statements, were audited by other auditors whose report dated June 20, 1996, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of FNS, Inc. and Affiliates at April 30, 1997, and the results of its operations, changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

Potter & Company, LLP

POTTER & COMPANY, LLP
July 17, 1997

FNS, INC. AND AFFILIATES
COMBINED STATEMENTS OF FINANCIAL POSITION
 April 30, 1997 and 1996

	1997	1996
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,535,037	\$ 1,815,646
Accounts receivable, less allowances for uncollectible accounts of \$1,024,000 in 1997 and \$817,000 in 1996	2,828,870	2,966,975
Accounts receivable, students tuition	1,419,547	1,491,578
Investments (Note 5)	18,808,650	15,878,213
Inventories	451,818	356,746
Prepaid expenses and other current assets	85,345	98,688
Total current assets	<u>25,129,267</u>	<u>22,607,846</u>
Long-term portion of accounts receivable, students tuition	<u>220,050</u>	<u>442,119</u>
Property, plant, and equipment:		
Land	182,174	177,062
Buildings	4,231,110	3,708,368
Equipment	6,244,503	5,159,994
Construction in progress	239,618	544,260
	<u>10,897,405</u>	<u>9,589,684</u>
Less accumulated depreciation	<u>(7,050,193)</u>	<u>(6,622,678)</u>
Net property, plant, and equipment	<u>3,847,212</u>	<u>2,967,006</u>
Present value of beneficial interest in outside trusts	<u>539,315</u>	<u>489,000</u>
 Total assets	 <u>\$ 29,735,844</u>	 <u>\$ 26,505,971</u>

See accompanying notes.

	1997	1996
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 504,099	\$ 1,487,302
Accrued salaries and withholdings	311,937	298,744
Accrued vacation expense	310,243	384,761
Deferred tuition, students	1,710,829	2,254,588
Payable to third-party programs	335,774	243,170
Other current liabilities	1,120,962	1,017,233
Total current liabilities	<u>4,293,844</u>	<u>5,685,798</u>
Capital lease payable (Note 11)	837,482	65,637
Gift annuity reserve	75,793	39,481
Long-term portion of deferred tuition, students	635,063	442,119
Commitments and contingencies		
Total liabilities	<u>5,842,182</u>	<u>6,233,035</u>
NET ASSETS		
Net assets:		
Unrestricted	19,457,360	16,534,415
Temporarily restricted	1,821,906	1,253,730
Permanently restricted	2,614,396	2,484,791
Total net assets	<u>23,893,662</u>	<u>20,272,936</u>
Total liabilities and net assets	<u>\$ 29,735,844</u>	<u>\$ 26,505,971</u>

FNS, INC. AND AFFILIATES
COMBINED STATEMENTS OF ACTIVITIES
 Years ended April 30, 1997 and 1996

	1997	1996
Changes in unrestricted net assets:		
Revenues and gains:		
Net patient service revenue	\$ 15,835,128	\$ 14,933,196
Contributions	980,681	782,889
Education revenues:		
Tuition and educational fees	2,557,422	2,426,478
Federal grants	375,956	535,801
Other grant revenue	35,045	0
Net realized and unrealized gain on investments	1,995,967	1,506,614
Other revenues and gains:		
Investment income	712,907	597,971
Other revenue	692,425	255,235
Total unrestricted revenues and gains	<u>23,185,531</u>	<u>21,038,184</u>
Net assets released from restriction due to satisfaction of program requirements	<u>118,917</u>	<u>0</u>
Expenses:		
Salaries and wages	9,006,560	8,705,820
Fringe benefits	1,691,891	1,524,851
Medical services, supplies, and other expenses	6,698,948	5,992,482
Facility costs	1,046,056	944,597
Provider taxes	266,829	265,676
Provision for bad debts	1,121,420	1,067,819
Total expenses	<u>19,831,704</u>	<u>18,501,245</u>
Increase in unrestricted net assets	<u>3,472,744</u>	<u>2,536,939</u>
Changes in temporarily restricted net assets:		
Contributions	97,095	351,225
Change in present value of annuities	40,199	0
Net assets released from restriction	(118,917)	0
Net realized gain on long term investments	<u>0</u>	<u>265,236</u>
Increase in temporarily restricted net assets	<u>18,377</u>	<u>616,461</u>
Change in permanently restricted net assets:		
Contributions	79,290	8,180
Present value of beneficial interests in outside trusts	<u>50,315</u>	<u>489,000</u>
Increase in permanently restricted net assets	<u>129,605</u>	<u>497,180</u>
Increase in net assets	3,620,726	3,650,580
Net assets, beginning of year	<u>20,272,936</u>	<u>16,622,356</u>
Net assets, end of year	<u>\$ 23,893,662</u>	<u>\$ 20,272,936</u>

See accompanying notes.

FNS, INC. AND AFFILIATES
COMBINED STATEMENTS OF CASH FLOWS
 Years ended April 30, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Cash flows from operating activities:		
Change in net assets	\$ 3,620,726	\$ 3,650,580
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Cumulative effect of adoption of SFAS No. 116 and 117 on the present value of beneficial interest in outside trusts	0	(450,000)
Increase in value of beneficial interest in outside trusts	(50,315)	(39,000)
Cumulative effect of prior period adjustment	0	(62,412)
Provision for bad debts	1,121,420	1,067,819
Depreciation	448,331	370,082
Gains on sale of equipment	0	(2,418)
Net unrealized gain on investments	(1,995,967)	(1,262,906)
Contributions restricted for programs and investments	(176,385)	(359,405)
(Increase) decrease in:		
Patient accounts receivable	(823,907)	(1,961,792)
Accounts receivable, student tuition	294,100	(511,002)
Prepaid expenses and other current assets	(81,729)	423,178
Increase (decrease) in:		
Accounts payable	(983,203)	270,804
Deferred tuition, students	(324,079)	689,541
Estimated third-party payor settlements	92,604	42,546
Gift annuity reserve	40,200	39,481
Other liabilities	814,249	269,052
Net cash provided by operating activities	<u>1,996,045</u>	<u>2,174,148</u>
Cash flows from investing activities:		
Purchase of property and equipment	(1,311,351)	(1,006,033)
Proceeds from sale of equipment	1,713	10,866
Net purchase of investments	(1,143,401)	(1,604,536)
Net cash used in investing activities	<u>(2,453,039)</u>	<u>(2,599,703)</u>
Cash flows from financing activities:		
Investment in long term investments	79,290	8,180
Investment subject to program restrictions	97,095	351,225
Net cash provided by financing activities	<u>176,385</u>	<u>359,405</u>
Net decrease in cash and cash equivalents	(280,609)	(66,150)
Cash and cash equivalents, beginning of year	<u>1,815,646</u>	<u>1,881,796</u>
Cash and cash equivalents, end of year	<u>\$ 1,535,037</u>	<u>\$ 1,815,646</u>

See accompanying notes.

FNS, INC. AND AFFILIATES
NOTES TO THE COMBINED FINANCIAL STATEMENTS
 April 30, 1997 and 1996

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

The summary of significant accounting policies of FNS, Inc. and Affiliates (the Service) is presented to assist in understanding the Service's financial statements. The financial statements and notes are representations of the Service's management who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

Organization:

Frontier Nursing Service was established by Mary Breckinridge in Leslie County, Kentucky, as the Kentucky Committee for Mothers and Babies in 1925. The name later changed to Frontier Nursing Service in 1928. The Service's original purpose was to provide needed health services in the Appalachian area, introducing the first nurse-midwives in the United States. During its early years, the Service was the only provider of health services in the area and it remains the largest provider of health services in Leslie County and the portion of surrounding counties comprising its service area. In 1939, the Service established a midwifery school. As established today, FNS, Inc. currently operates as a holding company for an accredited midwifery and family nursing school, a home health agency, and a hospital, and provides primary care services through the Hyden Clinic, the Kate Ireland Women's Health Care Center, and District Nursing Clinics. The Service has historically been dependent on charitable contributions to fund a significant portion of the costs of service and programs.

Principles of Combination:

The Service consists of the following nonprofit entities:

FNS, Inc. - Parent holding company of the Service.

Mary Breckinridge Health Care, Inc. - Entity responsible for operating the hospital, home health agency, and clinics.

Frontier School of Midwifery and Family Nursing, Inc. - Entity responsible for operating the midwifery and family nursing school.

Frontier Nursing Service Foundation, Inc. - Entity responsible for maintaining the investment portfolio of the Service.

FNS Real Estate, Inc. - Entity responsible for holding and managing the real estate and fixed assets owned by the Service.

The combined financial statements include the accounts and transactions of the above entities. Significant intercompany transactions and accounts have been eliminated in combination.

FNS, INC. AND AFFILIATES
NOTES TO THE COMBINED FINANCIAL STATEMENTS
April 30, 1997 and 1996

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation:

The accompanying financial statements have been prepared on an accrual basis in accordance with generally accepted accounting principles.

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished) temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities and expenses as net assets released from restrictions.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amount of revenues and gains and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents:

The Service considers investments with a maturity of three months or less, when purchased, to be cash equivalents, excluding those amounts held as part of the investment portfolio.

Allowance for Doubtful Accounts:

The Service provides an allowance for doubtful accounts receivable based upon prior experience and management's assessment of the collectibility of existing accounts.

Accounts Receivable, Students and Deferred Tuition, Students:

The Service provides a midwifery training program to eligible students. The program generally takes 24 months to complete. The tuition for the midwifery program is due ratably every six months. The School's policy is to recognize tuition revenue ratably over 24 months.

FNS, INC. AND AFFILIATES
NOTES TO THE COMBINED FINANCIAL STATEMENTS
April 30, 1997 and 1996

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventories:

Medical supply and pharmaceutical inventories are stated at cost (first-in, first-out method), which is not in excess of market value.

Prepaid Expenses:

Prepaid expenses consist of insurance premiums to be expensed in the subsequent period.

Investments:

The Service carries investments in marketable securities with readily determinable fair values and all investment in debt securities at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in unrestricted net assets in the accompanying statement of activities, unless the donor temporarily or permanently restricts their use.

Investments represent amounts which are unrestricted, temporarily restricted, and permanently restricted. Unrestricted assets are designated by the Board of Governors for special uses. The Board of Governors has designated the following unrestricted funds to accumulate monies for the indicated purposes:

The Consolidated Fund accumulated funds for such operating and general purposes as the Board may determine.

The Education Fund includes all donations specified by the donor for this fund and unrestricted legacies and bequests received from May 1981 through April 1985. It accumulates funds until such time as they are needed for programs for activities that benefit nursing education.

The David D. Knox Fund accumulates funds for such uses as the Board may determine.

The Mary Breckinridge Chair Fund provides income to fund the salary of a faculty member of the midwifery and family nursing school.

Income from the Education, Kate Ireland Women's Health Care Center, Mary Breckinridge Chair, and David D. Knox Funds is retained with the funds until expended for the designated purposes.

FNS, INC. AND AFFILIATES
NOTES TO THE COMBINED FINANCIAL STATEMENTS
 April 30, 1997 and 1996

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Temporarily restricted assets represent donations restricted by donors for additions to property to the unrestricted net assets or for specific operating purposes which have not been expended.

Permanently restricted assets represent several endowments received from donors, the principal of which cannot be expended. Income from such endowments is available for operating purposes and is reported as revenue when earned in accordance with the donor's instructions.

Beneficial Interest in Outside Trusts:

The Service is an income beneficiary of certain perpetual trusts held by others. The Service records as an asset the net present value of the income to be received from the outside trusts. Gains and losses in the market value of the trusts are recorded as changes in permanently restricted net assets. Income received from such funds is included in unrestricted donations.

Charity Care:

The Service provides care to patients who meet certain criteria under its charity care policy, without charge or at amounts less than its established rates. Because the Service does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue. Charges foregone based on established rates for charity care, determined at or near the time of service rendered by the Service were approximately \$1,356,000 and \$902,000 in 1997 and 1996, respectively.

Net Patient Revenue:

Net patient revenue is reported at the established net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors.

Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Net patient revenue rendered consists of the following:

	<u>1997</u>	<u>1996</u>
Gross patient revenue	\$22,318,791	\$21,666,890
Less charity and contractual adjustments	<u>7,328,805</u>	<u>7,076,375</u>
Net patient revenue	<u>\$14,989,986</u>	<u>\$14,590,515</u>

Grant Revenues:

Grant revenues used for operating expenses are recorded as revenue in the period the expenditures are incurred.

FNS, INC. AND AFFILIATES
NOTES TO THE COMBINED FINANCIAL STATEMENTS
April 30, 1997 and 1996

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes:

The Service is a not-for-profit corporation and has been recognized as tax-exempt pursuant to Sec. 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the financial statements.

NOTE 2 - CHANGE FOR NEW PRONOUNCEMENT

The Service changed its policy of accounting for investments from lower of cost or market to fair value in accordance with SFAS No. 124, *Accounting for Certain Investments Held by Not-for-Profit Organizations*. The Service adopted the provisions of Statement No. 124 by restating net assets as of April 30, 1996. Investments and unrestricted net assets as of April 30, 1996, were increased by \$2,026,192, which represents the unrealized gains on investments that were not recognized previously. That effect is included in changes in unrestricted net assets because the gains and losses are unrestricted.

NOTE 3 - RECLASSIFICATIONS

Certain reclassifications have been made to the April 30, 1996 financial statements to conform with the April 30, 1997 financial statement presentation. Such reclassifications have had no effect on net assets as previously reported.

NOTE 4 - MEDICARE AND MEDICAID PROGRAMS

The Service participates in the Medicare and Medicaid Programs. During 1997, approximately 70% of the Service's net patient revenue were derived from services to patients covered by these Programs. The corresponding percentage was 65% in 1996.

Medicare:

Medicare payments for inpatient services are made based upon the patient's diagnosis (DRG), irrespective of cost. The diagnosis upon which payment is based is subject to review by Program representatives. The Program reimburses the Service for certain outpatient services including rural health clinics and home health agency services based upon cost. Such reimbursable costs are determined from annual cost reports filed with the Program, which are subject to audit by the Program.

FNS, INC. AND AFFILIATES
NOTES TO THE COMBINED FINANCIAL STATEMENTS
 April 30, 1997 and 1996

NOTE 4 - MEDICARE AND MEDICAID PROGRAMS (CONTINUED)

Medicaid:

The Medicaid Program reimburses the Service on a prospectively determined rate per patient day for inpatient services and on basis of cost for certain outpatient services including rural health clinics and home health agency services.

The Commonwealth of Kentucky has developed a program to provide funds for indigent care provided by Kentucky hospitals through a provider tax. Under the provider tax program, Kentucky hospitals are taxed at rates ranging from 2.0% to 2.5% of net collections from patient services and are eligible for reimbursement for certain services provided to indigent patients. The 1997 statement of operations includes revenue of approximately \$860,000 and expenses of \$266,000 related to this program. Corresponding amounts were \$597,00 and \$265,000 in 1996.

NOTE 5 - INVESTMENTS

The fair values of the Service's investments are as follows at April 30:

	1997		1996	
	Cost	Market	Cost	Market
Cash and cash equivalents	\$ 1,720,055	\$ 1,720,055	\$ 1,708,617	\$ 1,708,617
Corporate bonds	4,242,634	4,251,622	3,261,697	3,304,220
Common trust fund bonds	1,005,719	1,000,390	1,578,577	1,595,595
Common Stock	6,629,797	10,212,621	6,136,675	7,947,279
Common trust fund equities	1,406,022	1,623,962	1,166,454	1,322,502
Total investments	\$ 15,004,227	\$ 18,808,650	\$ 13,852,020	\$ 15,878,213

NOTE 6 - RETIREMENT PLAN

The Frontier Nursing Service, Inc. Capital Accumulation Plan (Plan), a non-contributory defined contribution retirement plan, covers substantially all of the Service's employees. Employer contributions are determined by the Board of Governors of FNS, Inc. and Affiliates annually and are allocated among Plan participants on the basis of eligible employee salaries. The Service recorded expense of approximately \$165,900 in 1997 and \$92,000 in 1996 related to the retirement plan.

FNS, INC. AND AFFILIATES
NOTES TO THE COMBINED FINANCIAL STATEMENTS
 April 30, 1997 and 1996

NOTE 7 - CONCENTRATIONS OF CREDIT RISK

The Service, at various times throughout the year, had cash on deposit in banks in excess of federally insured limits.

The Service grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors at April 30, 1997 is as follows:

Medicare	20%	Commercial insurance	14%
Medicaid	29%	Other state programs	5%
Patients	30%	Other third-party payors	2%

The Service's entire tuition receivable at April 30, 1997 and 1996, represents amounts due from students.

NOTE 8 - CONTINGENCIES

The Service insures for professional and general liability losses through claims-made policies, and records reserves for deductibles for potential claims, based on their best estimates. In the opinion of management, such insurance and estimated reserves for deductibles are adequate to cover significant losses, if any. Should the claims-made policies not be renewed or be replaced with equivalent insurance, claims based upon occurrences during their terms but reported subsequently will be uninsured. The Service intends to continue carrying such insurance.

Liabilities for incurred but not reported losses at April 30, 1997 are not determinable; however, in management's opinion such liabilities, if any, would not have a material adverse impact on the Service's financial statements. Accordingly, no provision for adverse loss contingencies had been made in the accompanying financial statements.

NOTE 9 - PRIOR PERIOD ADJUSTMENT

Unexpended special purpose funds were reported incorrectly as deferred revenue as of April 30, 1996. Accordingly, an adjustment to reflect revenues as temporarily restricted when received has been made to the 1996 financial statements. The adjustment had the effect of increasing contribution revenue and temporarily restricted net assets by \$225,369 and reducing liabilities by \$225,369 for the year ended April 30, 1996.

NOTE 10 - LEASES AND CONTRACTS

The Service also contracts with certain professionals, including those who provide anesthesia, laboratory, x-ray, physical therapy, and pharmacy services. Total rental expense in 1997 and 1996 for all operating leases was approximately \$308,000 and \$395,000, respectively.

FNS, INC. AND AFFILIATES
NOTES TO THE COMBINED FINANCIAL STATEMENTS
 April 30, 1997 and 1996

NOTE 11 - CAPITAL LEASES

The Service has several pieces of Hospital equipment under capital lease. The leased property as of April 30, 1997, had a cost of \$1,239,610, accumulated amortization of \$52,149 and a net book value of \$1,187,461. Amortization of the leased property is included in depreciation expense at April 30, 1997.

The future minimum lease payments under the capital lease and the net present value of the future minimum lease payments at April 30, 1997, are as follows:

<u>Year ending April 30.</u>		
1998	\$	340,246
1999		339,510
2000		339,176
2001		234,700
2002		<u>91,938</u>
		1,345,570
Less amount representing interest		<u>(243,153)</u>
Present value of minimum lease payments		1,102,417
Less current portion		<u>(264,935)</u>
Long-term portion	\$	<u>837,482</u>

Report of Operations

The following is a comparative analysis of services provided during the two fiscal years 1996 and 1997.

	FY ending 1996	FY ending 1997
Percent of Occupancy	35.2	33.0
Patient Days	5,797	5,293
Medical-Surgical Unit	4,335	4,102
Obstetrical Unit	822	720
Skilled Beds	640	471
Admissions	1,497	1,475
Medical-Surgical Unit	1,063	1,098
Obstetrical Unit	386	327
Skilled Beds	48	50
Average Daily Census	14.1	13.2
Average Length of Stay	3.6	3.4
Newborn Percent of Occupancy	9.8	8.5
Newborn Patient Days	358	309
Newborn Admissions	174	140
Newborn Average Daily Census	1.0	1.1
Newborn Length of Stay	2.1	2.1
Deliveries	174	140
Operations	742	699
In-patient	186	189
Out-patient	556	511
C-Sections	52	43

	FY Ending 1996	FY Ending 1997
Deaths	37	34
Institutional	20	22
Non-Institutional (out-pt/ER)	13	12
X-rays	12,674	13,163
In-patient	1,740	1,676
Out-patient	10,934	11,487
CT Scans	996	785
In-patient	234	178
Out-patient	762	607
Ultrasound	1,401	1,701
In-patient	252	388
Out-patient	1,149	1,313
Mamograms	330	334
Lab	148,241	141,818
In-patient	52,362	44,930
Out-patient	61,262	60,840
Physical Therapy	6,800	4,331
In-patient	1,902	1,058
Out-patient	4,898	3,273
EKG Procedures	4,356	4,079
In-patient	1,590	1,674
Out-patient	2,766	2,323
EEG Procedures	84	52
Respiratory Therapy	52,785	47,621
In-patient	44,699	38,002
Out-patient	8,086	9,619

	FY Ending 1996	FY Ending 1997
Home Health Visits	34,038	35,473
Clinic Visits:		
Hyden	22,419	22,545
Kate Ireland Women's Center	4,035	4,154
Emergency Room	8,918	9,398
Beechfork	4,389	4,172
Community Health Center	3,663	2,978
Wooton	2,103	2,386
Courier Program Information		
Number of Couriers	16	21
Hours at Clinics	398	461
Clinic Supplies Deliveries/Lab and X-ray Transports		
	992	1,370
Home Health Visits	756	313
Kate Ireland Center	494	507
Literacy/Community	442	1,045
Mary Breckinridge Hospital	569	684
Wendover	520	809
FSMFN/CNEP Classes	0	133
Nursing Volunteer Information		
Number of Volunteers	18	6
Mary Breckinridge Hospital	836	67
Kate Ireland Center	128	77
Home Health Visits	628	61
Hours spent at Clinics	232	38
Health Department	0	5
Other Volunteer Information		
Dr. Anne Wasson	1,128	524

Seventy Second Year Totals - Selected Data

Because there continues to be interest in these figures, we have reconstructed the essential information necessary to cover FNS' seventy-two years of operation. These figures should not be understood as audit totals. They are reasonable close approximations as of the close of the fiscal year that ended April 30, 1997.

* Patients registered from the beginning in 1925 (including all clinics and emergency room)	298,099
* Maternity cases delivered	24,414
* Maternity deaths (9 puerperal, 2 cardiac)	11
* Number of days of occupancy in FNS hospitals (including old Hyden Hospital, which opened in June 1928, and Mary Breckinridge Hospital which opened in February 1975). Figures exclude newborns.	560,929
* Number of CNEP graduates	510
* Number of CNEP students enrolled at this time	315

TOTAL CONTRIBUTIONS

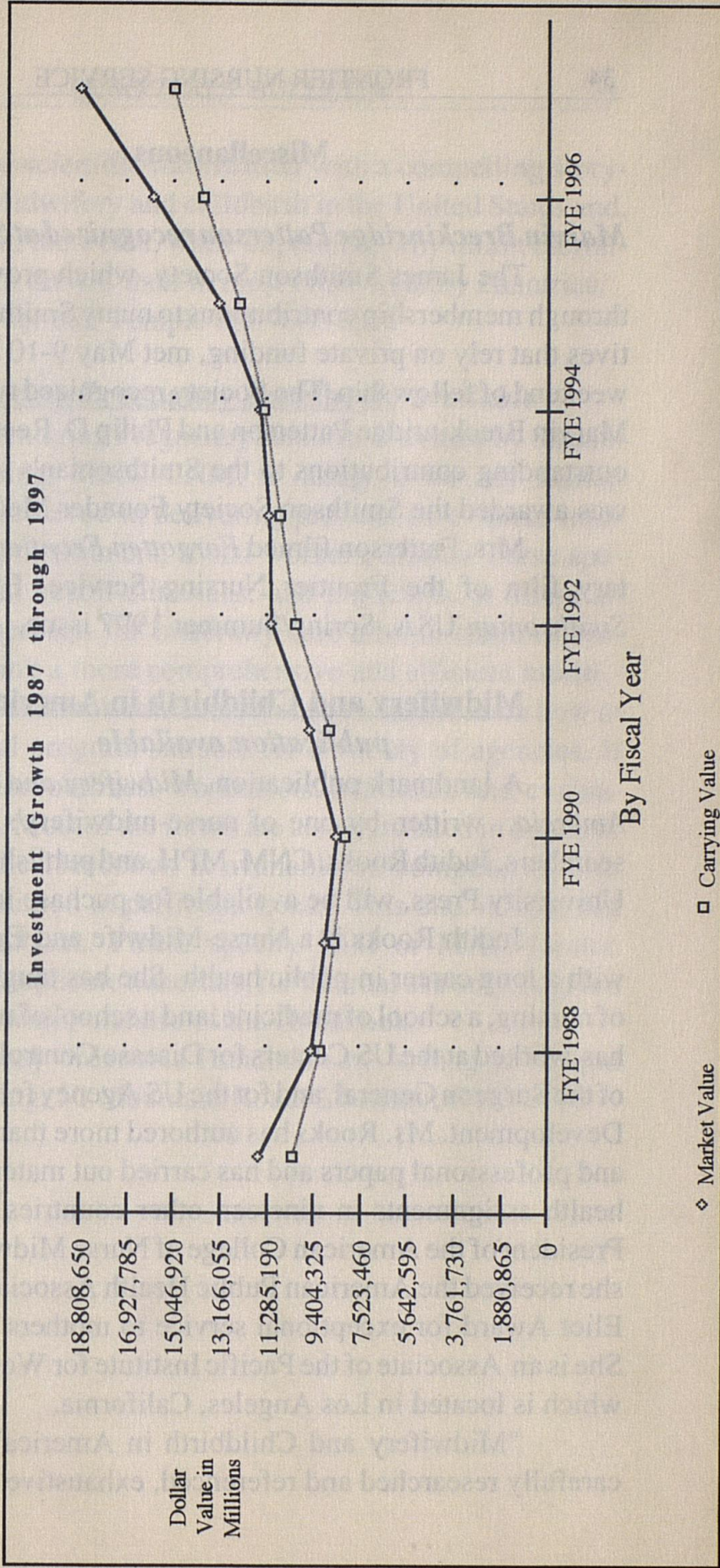
	YTD 1995-1996	YTD 1996-1997
Non-restricted	798,242.00	1,048.75.00
Restricted	268,972.00	86,483.61
Derby benefits	<u>11,500.00</u>	<u>15,606.39</u>
TOTAL	1,078,714.00	1,150,165.00

	YTD 1995-1996	YTD 1996-1997
<i>Committee Benefits</i>		
Boston	0	15,606.39
Philadelphia	0	0
Washington	11,500.00	0
Bluegrass	1,427.00	1,397.00
Daughters of Colonial Wars		8,425.50

FYE 1997
FYE 1996
FYE 1995
FYE 1994
FYE 1993
FYE 1992
FYE 1991
FYE 1990
FYE 1989
FYE 1988
FYE 1987

	FYE 1987	FYE 1988	FYE 1989	FYE 1990	FYE 1991	FYE 1992	FYE 1993	FYE 1994	FYE 1995	FYE 1996	FYE 1997
Market Value	11,589,669	9,462,940	8,968,382	8,497,240	9,566,050	11,087,766	11,239,419	11,601,974	13,179,891	15,878,213	18,808,650
Carrying Value	10,169,621	9,133,565	8,581,411	8,151,726	8,735,032	10,160,011	10,747,416	11,435,408	12,416,605	13,852,020	15,004,227
Market Value Changes	-2,126,729	-494,558	-471,142	1,068,810	1,521,716	151,653	362,555	1,577,917	2,698,322	2,930,437	7,218,981
Total Growth Market Value =											
Carrying Value Changes	-1,036,056	-552,154	-429,685	583,306	1,424,979	587,405	687,992	981,197	1,435,415	1,152,207	4,834,606
Total Growth Carrying Value =											

All figures are audited



Miscellaneous

Marvin Breckinridge Patterson recognized at Smithsonian

The James Smithson Society, which provides support through membership contributions to many Smithsonian initiatives that rely on private funding, met May 9-10 for its annual weekend of fellowship. The Society recognized two of its own, Marvin Breckinridge Patterson and Philip D. Reed Jr., for their outstanding contributions to the Smithsonian's success. Each was awarded the Smithson Society Founder Medal.

Mrs. Patterson filmed *Forgotten Frontier*, a documentary film of the Frontier Nursing Service. Excerpts from *Smithsonian USA*, Spring/Summer 1997 issue.

Midwifery and Childbirth in America *publication available*

A landmark publication, *Midwifery and Childbirth in America*, written by one of nurse-midwifery's foremost researchers, Judith Rooks, CNM, MPH, and published by Temple University Press, will be available for purchase in September.

Judith Rooks is a Nurse-Midwife and Epidemiologist with a long career in public health. She has taught in a school of nursing, a school of medicine, and a school of midwifery and has worked at the US Centers for Disease Control, in the Office of the Surgeon General, and for the US Agency for International Development. Ms. Rooks has authored more than 50 scientific and professional papers and has carried out maternal and child health assignments in nineteen other countries. She is Past-President of the American College of Nurse Midwives. In 1993 she received the American Public Health Association's Martha Eliot Award for exceptional service to mothers and children. She is an Associate of the Pacific Institute for Women's Health, which is located in Los Angeles, California.

"Midwifery and Childbirth in America" combines a carefully researched and referenced, exhaustive encyclopedia

of historic and scientific information with a compelling story—the saga of Midwifery and childbirth in the United States and, to some extent, the world, while explaining why infant mortality is higher in the US than in most other wealthy countries.

To order call Temple 800-447-1656.

Centering Pregnancy Handbook available

The Centering Pregnancy Handbook written by Sharon Schindler Rising, MSN, CNM, is designed for any skilled group leader involved in delivering prenatal care: nurse-midwives, nurse practitioners, social workers, clinical nurse specialists, mental health clinicians, and physicians. It offers an alternative approach for maternity care administrators interested in utilizing a more comprehensive and efficient model.

The Handbook contains detailed instructions on how to develop a total program suitable for a variety of agencies. It includes session outlines, worksheets, handouts, and evaluation materials. Most of the forms are also translated in Spanish. The core of the Handbook is available on computer disk to facilitate adaptation to particular needs. This disk is included with the Handbook. Please specify IBM or MAC format. Permission to duplicate materials, for internal use only, is given by the author with purchase of the Handbook.

You may order this Handbook by writing to Sharon Schindler Rising, 50 Mountain Road, Cheshire, CT 06410.

Dr. Joyce Fitzpatrick retires as Dean at Case Western Reserve University

Dr. Joyce Fitzpatrick, Dean of Case Western Reserve University's Frances Payne Bolton School of Nursing for the past 15 years, has announced plans to leave the Deanship effective December 31, 1997. She will be on leave from January 1 through August 31, 1998. Following that, she will return to faculty



at the Elizabeth Brooks Ford Professor of Nursing at Case Western Reserve University (CWRU).

Dr. Fitzpatrick is also a member of the Frontier Nursing Service Board of Governors.

Dr. Fitzpatrick, a leader in nursing education, has been Dean longer than any current Dean at CWRU and longer than any Dean in the nursing's history.

In November, Dr. Fitzpatrick will become President of the American Academy of Nursing (AAN) for a two year term. She has been President-Elect of AAN since 1995. Dr. Fitzpatrick also plans to begin a writing project focusing on women, their careers, and their support for each other.

The Frances Payne Bolton School of Nursing at CWRU remains one of the top nursing schools in research funding. It's endowment increased from \$8.7 M to \$40 M during Dr. Fitzpatrick's Deanship. Annual enrollment has risen from 260 to 1,018.

Dr. Fitzpatrick received her BSN from Georgetown University, MSN from Ohio State University, Ph.D. from New York University, MBA from Case Western Reserve University and an Honorary Doctorate, Doctor of Humane Letters from Georgetown University.

In Memoriam

If you wish to make a contribution to the Frontier Nursing Service in memory of a friend or loved one, please fill out and return this section to the Development Office at FNS.

In memory of: _____

Contributor's name: _____

Person(s) to whom you wish acknowledgments sent:

Name: _____

Address: _____

In Honor of

If you wish to make a contribution to the Frontier Nursing Service in honor of someone's accomplishments or achievements, please fill out and return this section to the Development Office at FNS.

In honor of: _____

Contributor's name: _____

Address: _____

Person(s) to whom you wish acknowledgments sent:

Name: _____

Address: _____

IN MEMORIAM

These friends have departed this life in recent months. We wish to express our sympathies to their families, and our gratitude for their interest in our work.

Mrs. James D. Ireland (Cornelia) Cleveland, Ohio died during August 1997. Mrs. Ireland was the wife of long time FNS donor Mr. James D. Ireland and was a distant cousin of Miss Kate Ireland.

Mrs. E. Felix Kloman (Olivia Rogers Pragoff), Alexandria, Virginia, age 92 died August 23, 1997. Mrs. Kloman was born in Louisville, Kentucky and her life devotion to her native state and to the FNS was loyal and unremitting. Mrs. Kloman served as Chairman of the Frontier Nursing Service Washington Committee and later as an Honorary Trustee. Her daughter, Cis Chappel and also her grandson were once Couriers at FNS.

Memorial Gifts

We wish to express our deep appreciation to these friends who have shown their love and respect for the individuals named below by making supporting contributions in their memory to the work of the Frontier Nursing Service.

Peggy Elmore

Noel S. Fernandez

Virginia Moulton

Alice Hendrickson

Horall Cracraft

Marge Smith

Kinko Yanamoto

Miwako Yanamoto

Celia Oseasohn

Miriam & Melvin Rosenthal

Beatrice Miller Saley

Margaret McCracken

The Honorable Eve Chetwynd

Ruth Blevins

Elizabeth S. Fenollosa

G. Manuel Fenollosa

Jessie McLean Kurg

Eleanor S. Walter

Betty Begley Fisher

George V. Gardner

Joann Lewis Collins

Lenore C. Robinson

John Monroe Birmingham

Roberta and David Watts

Elizabeth (Lisa) Scherrer
(CNEP Class 20 student)

Penny Armstrong
 Ursula Benesath
 Darla Berry
 Betty Bradbury
 Trudy Cox
 Mickey Gillmor
 Nawal Hadi
 Marcia Hanks
 Milree Keeling
 Elizabeth Keit
 Tekoa King
 Mary Knauer
 Francie Likis
 Jackie Morrill
 Kathryn Osborne
 Jenda Stauffer
 Susan Stone
 Rhonda Wilstrup
 Veronica Wright
 Sandra Zerbe

Oliva Kloman

Frida F. Burling
 Mary Frances Varner
 Katherine Wilkinson
 Sue A. Purchell
 Ann W. Becker
 Mrs. W. F. Creighton

Mable Turner

Connie Becker
 Jacquelyn A. Bailey
 Mary Ellen O'Connor
 Brenda G. Barbour

IN HONOR OF

Mrs. John Graham

Jon C. Kucera

Dr. Herbert Meltzer

Sid and Bettie Spector

Miss Kate Ireland

Laurence F. Whittemore

Caroline D. Standley

Mary Ann Hawkes

FNS and Subsidiary Corporations**FNS, INC:**

Deanna Severance - *CEO/Director*
A. Ray Branaman - *Chief Operating Officer*
Barb Gibson - *Assistant to CEO, Dir. Public Relations*
Karen Thomisee - *Coordinator of Courier Program*
Mae Irvin - *Development Secretary*
Beulah Couch - *Human Resources Manager*
Jeremy Bush - *Special Projects*

Frontier Nursing Service, Inc. (Foundation):

Deanna Severance - *President*

Frontier School of Midwifery and Family Nursing:

Deanna Severance - *President*
Susan Stone - *Acting Program Director*
Kerry Schuiling - *Acting Educational Director*
Jackie Morrill - *Director of Student Affairs*

FNS Real Estate, Inc:

Deanna Severance - *President*

Mary Breckinridge Healthcare, Inc:

Deanna Severance - *President*
A. Ray Branaman - *Administrator*
Virginia Gross, RN, - *Assistant Administrator*

Mary Breckinridge Healthcare, Inc. Clinics:

Betsy MacMillan, CFNM - *Kate Ireland Women's Clinic*
Beverly Mays, FNP - *Beech Fork Clinic*
Martha A. Barnes, FNP - *Beech Fork Clinic*
Heidi Froemke, FNP, CNM - *Wooton Clinic*
Susan Ziegler, FNP - *Community Health Center*
Jana Cuddy, PA - *Hyden Clinic*

FNS, INC.

(the parent)

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FORM OF BEQUEST

For the convenience of those who wish to remember the Frontier Nursing Service in their Wills, this form of bequest is suggested:

" I hereby give, devise and bequeath the sum of . . . dollars (or property properly described) to the Frontier Nursing Service, a corporation organized under the laws of the State of Kentucky."

HOW ENDOWMENT GIFTS MAY BE MADE

The following are some of the ways of making gifts to the Endowment Funds of the Frontier Nursing Service:

1. **By Specific Gift under Your Will.** You may leave outright a sum of money, specified securities, real property, or a fraction or percentage of your estate.
2. **By Gift of Residue under Your Will.** You may leave all or a portion of your residuary estate to the Service.
3. **By Life Insurance.** You may have life insurance made payable direct to the Service.

The principal of the gifts will carry the donor's name unless other instructions are given. The income will be used for the work of the Service in the manner judged best by its Trustees.

Contributions to Frontier Nursing Service, Inc. are tax deductible under Section 501(c) (3) of the Internal Revenue Code of 1954.

Gifts of stock should be sent to:

FRONTIER NURSING SERVICE
Mr. William Hall, Treasurer
Fifth Third Central Kentucky Trust
250 West Main Street, Suite 100
Lexington, Kentucky 40507

STAFF OPPORTUNITIES

Because text for the *Bulletin* must go to the printer several weeks before publication, it is not possible for any issue to contain an up-to-date list of job opportunities. Instead, we list types of positions that are most likely to be available and invite anyone qualified and interested to write for current information.

Staff Opportunities: Family Nurse Practitioners, Registered Nurses, and Physicians. For current information or to apply for a position, contact Department of Human Resources, Wendover, KY 41775 (phone 606-672-2317).

Courier Program: This program has an ongoing need for all types of people, with all types of skills. The program is not limited to those interested in a health career. It encourages applications from anyone who is willing to volunteer for a minimum of 8 weeks and would like to be exposed to the work of the Frontier Nursing Service. For current information, write or call Courier Coordinator/Courier Program, FNS, Inc., Wendover, Kentucky 41775 (phone 672-2317).

Nursing Volunteer Program: This is a program that has been recently designed to meet the needs of nurses and nursing students who only have a short length of time in which to come to FNS and gain experience. In this program if accepted, there is no required amount of time. For current information, write or call Director of Nursing, Mary Breckinridge Healthcare, Inc., Hyden, Kentucky 41749 (phone 606-672-3162).

URGENT NEEDS

FNS has an urgent need for the items listed below and hopes that its friends will wish to contribute toward their purchase. We sometimes receive more gifts for a particular item than needed. In those instances, your gift will be applied toward another need. Send to Frontier Nursing Service, 132 FNS Drive, Wendover, KY 41775.

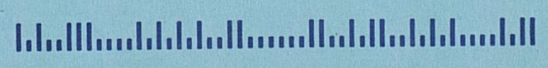
	Item
Beechfork:	
Blood Pressure Cuff (thigh)	75
Emergency Room:	
Portable Pulse Oximetry	375
Crash Cart (Large)	350
Pressure Infusion Cuff	400
Hyden Clinic:	
TV/VCR	500
Education Materials	300
Kate Ireland Women's Center:	
Portable Dopplers (2)	1,000
Operating Room:	
Patient Education Materials (Pamphlets, Videos)	800
TV/VCR	700

WE THANK YOU
FOR YOUR PARTICIPATION



PLACE
FIRST-
CLASS
POSTAGE
HERE

FRONTIER NURSING SERVICE INC
DEPT 1398
WENDOVER
PO BOX 143
LEXINGTON KY 40588-0143



Loose Item

Please send me more information about:

- The FNS Courier and Volunteer programs.
- Visiting and Touring the FNS.
- Books and other literature concerning FNS.
- Change of address.

As an interested friend, my subscription of \$5.00 a year is enclosed.

- New
- Renewal

As a supporter, you will receive the *Frontier Nursing Service Quarterly Bulletin* unless you request otherwise.

Enclosed is my gift of \$ _____



Mary Breckinridge's home at Wendover.
Historic Landmark - Restored in 1981.

Name

Address

City

State

Phone ()

Zip

Your Gift is
Tax Deductible

Loose Item

FRONTIER NURSING SERVICE, INC.

Its motto:

“He shall gather the lambs with his arm
and carry them in his bosom, and shall
gently lead those that are with young.”

Isaiah 40:11

Its object:

To safeguard the lives and health of mothers and children by providing and preparing trained nurse-midwives for rural areas where there is inadequate medical service; to give skilled care to women in childbirth; to give nursing care to the sick of both sexes and all ages; to establish, own, maintain and operate hospitals, clinics, nursing centers, and midwife training schools for graduate nurses; to carry out preventive public health measures; to educate the rural population in the laws of health, and parents in baby hygiene and child care; to provide expert social service; to obtain medical, dental and surgical services for those who need them, at a price they can afford to pay; to promote the general welfare of the elderly and handicapped; to ameliorate economic conditions inimical to health and growth, and to conduct research toward that end; to do any and all other things in any way incident to, or connected with, these objects, and, in pursuit of them to cooperate with individuals and with organizations, private, state or federal; and through the fulfillment of these aims to advance the cause of health, social welfare and economic independence in rural districts with the help of their own leading citizens.

From the Articles of Incorporation of the
Frontier Nursing Service, Article III
as amended June 8, 1984