

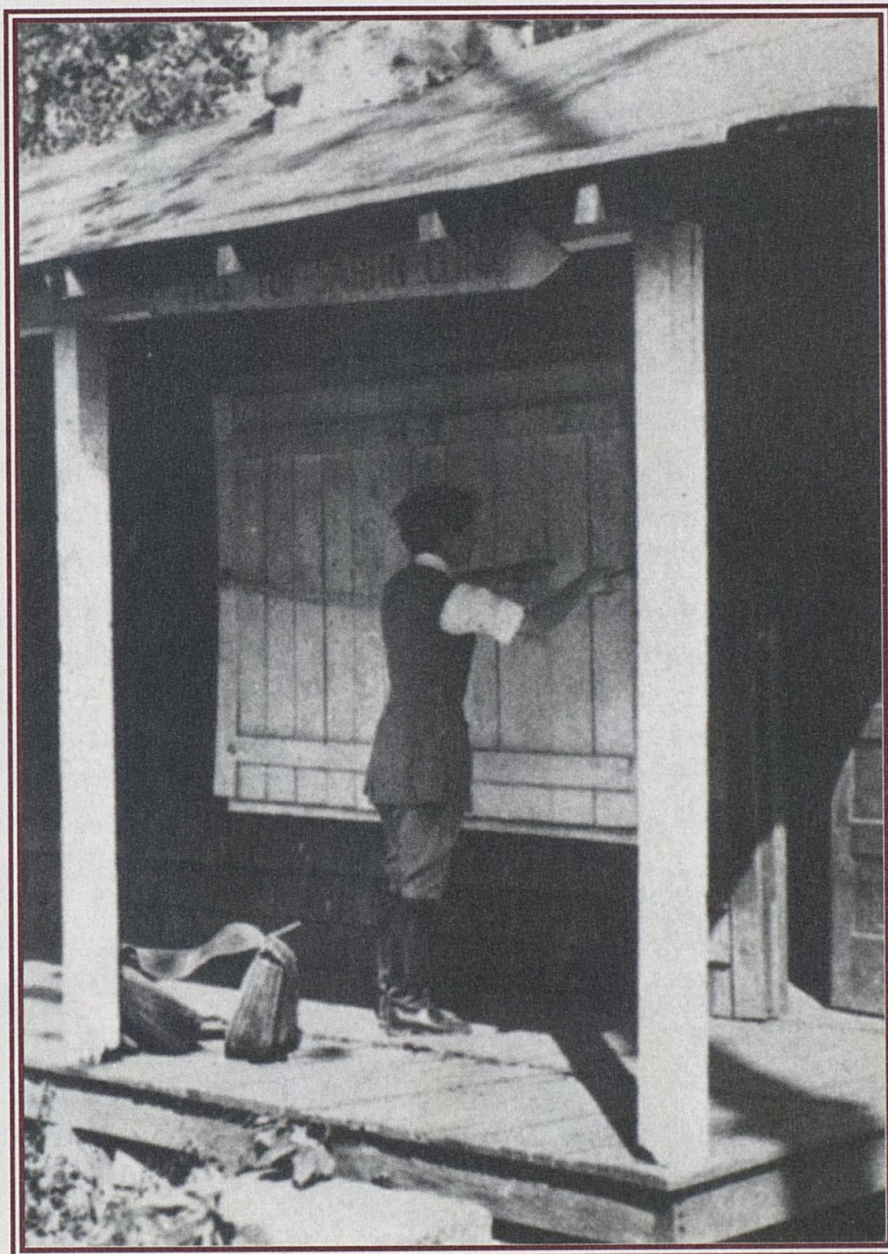
# **FNS** FRONTIER NURSING SERVICE

Volume 77

Number 1 Summer/September 2001



## SEVENTY-SIXTH ANNUAL REPORT





US ISSN 0016-2116

## TABLE OF CONTENTS

Introduction to FNS - <i>Deanna Severance</i>	1
Mary Breckinridge Healthcare News - <i>Mallie Noble</i>	2
Wendover News - <i>Christine Collins</i>	6
FSMFN News - <i>Susan Stone and Dr. Julie Marfell</i>	13
Website Information	14
Courier Program News - <i>Barb Gibson</i>	15
Annual Report	18
Report of Operations	37
In Memoriam	42

Note: Photo on cover of last QB (Volume 76 Number 4) - FNS nurse Anna Mae January with local children. Photo taken by Earl Palmer.

Cover: FNS nurse opens up for the day at Hell-for-Sartin Clinic in 1953. Photo by Thomas V. Miller, The Courier Journal.

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### Frontier Nursing Service Quarterly Bulletin

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## 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. Please share this information 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, two out-post 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.



**Mary Breckinridge Healthcare News**

*-Mallie Noble, Administrator*

***Rural Health Association***

On May 31, I attended the Rural Health Association meeting in Somerset, Kentucky. Topics included periodontal disease in pregnancy which leads to premature births and costs the state of Kentucky \$90 million per year. Dr. James Cecil, the State Dental Director, suggested long term commitment beginning with teaching and education of parents and training of physicians and FNPs regarding flouride varnish with children beginning at six months of age.



***Mallie Noble***

***Kentucky Hospital Association (KHA)***

On July 26, I attended a legislative committee meeting at the Kentucky Hospital Association's (KHA) headquarters in Louisville. Topics included the Washington Legislative Update; State issues including updates on Medicaid DRGs, hospital rates and long term care Medicaid payments; and the Federal Wage Index Bill. It is critical that the Federal Wage Index Bill be increased for Kentucky.

On August 16, Sarah S. Nicholson, Vice-President of KHA, other Administrators and myself, attended a meeting at the Mary Mount Hospital, London, Kentucky, with Senator Jim Bunning and his staff. Topics included the Federal Wage Index Bill and the Healthcare Workforce Shortage. Thanks to Mike Rust, KHA President and Sarah S. Nicholson, Vice-President, for their hard work and dedication.

***Awards of Excellence***

On June 6, Deanna Severance, CEO, and I attended the Sixteenth Annual Awards and Recognition Program of the Cabinet for Workforce Development and the Department for Technical



Education in Frankfort, Kentucky. Leslie County had several individuals and groups being honored. Frontier Nursing Service/Mary Breckinridge Healthcare, Inc. received the Outstanding Organization Award for their support and services for improvement of vocational technical education programs and for providing opportunities for students.

Jennifer Michelle Napier, a 2000 graduate of the Leslie County Area Technology Center and the Leslie County High School, was honored as the Kentucky Outstanding Secondary Student. Jennifer was recognized for her leadership abilities, good citizenship and her appreciation for the American Work Ethic.

Others receiving recognition as state finalists included Victor Pennington, Carpentry Instructor at the Leslie County Area Technology Center, as the Outstanding Beginning Teacher; Nadine Shepherd, Administrative Secretary, as the Outstanding Staff Achievement (non-certified) and Betty L. Huff, Principal, as the Outstanding Staff Achievement Award (certified). Congratulations to all winners!



*Left to right - Deanna Severance, CEO of FNS; Mallie Noble, MBHC Administrator; Victor Pennington, Betty Huff and Nadine Shepherd all from the Leslie County Vocational School.*



### ***Nurse Aide Training Program***

The Mary Breckinridge Healthcare/FNS education department has been working diligently on the State Registered Nurse Aide Training Program. We now have four staff certified to teach the Program - Denise Kilburn, Nancy Couch, Roxanna Combs and Tammy Feltner.

Pending approval for a providership, we plan to admit the first class mid-September. Thanks to Teresa Napier, RN, and other staff at the Leslie County Area Technical Vocational School for allowing us to share the nursing lab.

### ***New Birthing Room***

The Ladies Auxillary donated funds for the interior decorating of a new birthing room at MBHC. This room provides a home-like atmosphere for the pregnant mother. We are very thankful to the Ladies Auxillary for making this possible. Glenna Estep, Bearbranch, Kentucky, was the first patient to deliver in the new birthing room.



***Glenna and Alexis Michelle Estep***



### *Welcome*

Welcome to Dianna Schuster, FNP, who came on board July 23. Dianna will be working at the rural health clinics.

### *Sympathy*

Our deepest sympathy goes to the family of Nora Hensley, wife of Leonard Hensley, Housekeeping. Also, to the family of Timothy Burns who was the grandson of Drucie Webb, CNA, on medical/surgical floor.

### *Staff Activities*

On August 1, the Quality Improvement Program and MBHC Care Committee held their 6th Annual Health Fair at the Richard Nixon Center. A variety of booths (60) were on hand to provide information on healthcare issues, to check blood pressures, blood sugars, oxygen levels, cholesterol levels, dietary counseling and provide information on various community services available. Approximately 300 community members attended the fair and the Kentucky Blood Center obtained 37 units of blood donated by MBHC employees and community members!



***Home Health Booth - left to right - front: Willa Morris, Home Health Director; Mary Huff, CNA; Back row - Betty Lashon, CNA; Charlotte Estep, Receptionist and Kendra Bush, Billing Specialist.***



## Wendover News

by Christine Collins

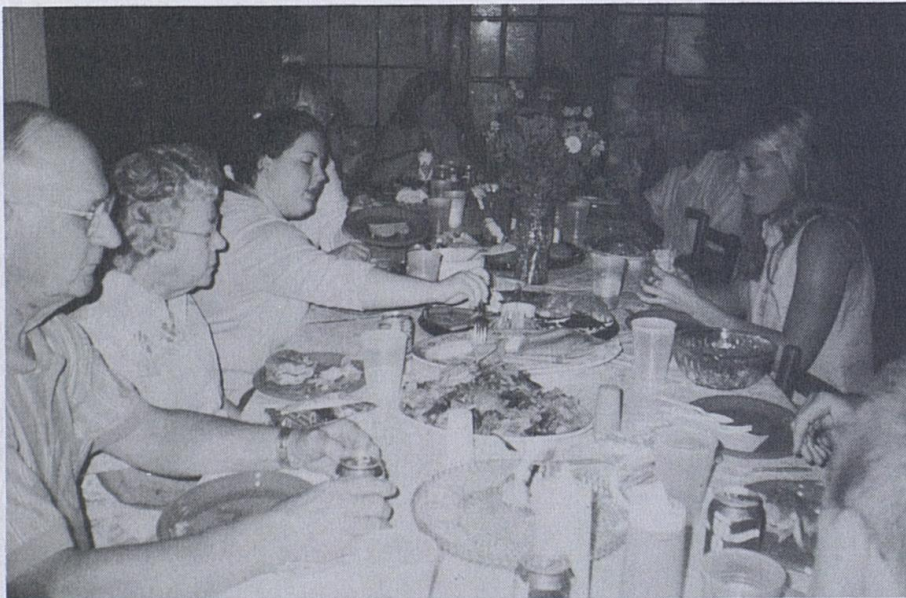
We have had a busy summer at Wendover. Our Bed & Breakfast staff have hosted guests who have visited before as well as some new ones. We enjoy talking with each one of them.

Denise Kilburn, Director of Nursing, taught CPR classes to Wendover staff and we are proud to report that everyone was certified!

On August 10, we held our annual FNS picnic at Wendover with Lexington office staff attending. JG and Juanetta Morgan, former staff members, were also in attendance. After the picnic everyone attended a birthday celebration for Dr. Anne who is a patient in the hospital.



*Christine Collins*



*Wendover "picnic" time. Left to right - JG Morgan, Juanetta Morgan, AnnDraia Bales, Heidi Froemke, Julie Marfell, Beulah Couch, Patra Simpson, Deanna Severance, Carl Severance, LouAnne Roberts.*



Wendover grounds continue to look beautiful. Maintenance is busy putting a new coat of paint and new metal roofs on the Big House, Barn and all of the outbuildings. We look forward to the fall colors and invite you to come and visit!

Below is a list of overnight guests, special luncheons and tours since the last report:

- May 15 Luncheon for nine students from Hazard Community College and Denise Kilburn, Director of Nursing; Nancy Couch, Med/Surg Manager and Roxanna Combs, Clinics Manager.
- May 20 Susan and John Frank, Newport, Kentucky.
- May 22/23/24 Susie and Brad Stewart, Jekyll Island, Georgia.
- May 23 Luncheon for Hazard Community College nurses aide graduating class. In attendance were Melissa Sparks, Hyden Manor Nursing Home; Teresa Napier, Leslie County Area Technical Vocational School Nursing Class Instructor; Denise Kilburn, MBHC Director of Nursing and Roxanna Combs, MBHC Clinics Manager.
- Judy Vanderhart, Tiffany Rosenfield and Pat Brown, Dallas, Texas.
- May 25 Dave Sawyer and Dr. Ted Ballard, Lexington, Kentucky, visited. Mr. Sawyer knew Mrs. Breckinridge when he worked on a landslide at Wendover in the late 60's.
- May 29/30 20 guests from McKendree College, Lebanon, Illinois.
- Kenneth Tuggle and Charles Allen, Frost Brown Todd, LLC, Louisville, Kentucky.



- June 1 Former couriers Megan Stumn, Madison, Wisconsin, and Miranda Gillespie, Mobile, Alabama, visited for five days.
- June 5 Former FNS midwives Margaret Willson "Miss Maggie", Somerset, England, and Joanne Vickers Peterson, Charleston, South Carolina, visited. Ms. Willson was Hyden Hospital Supervisor and Dean of the Frontier School of Midwifery and Family Nursing in 1958. She left FNS in 1967. Ms. Peterson was a staff midwife in 1988.
- June 7 Dianna Schuster, FNP. Interview at MBHC.
- June 20 Noel Fernandez, Pomona, New York, was here for ten days working with Dr. Anne on her book.
- June 22 Tammy Bruner, Wanda Goode and her family, Lexington, Indiana, stayed at Wendover while attending a funeral in the area.
- June 23 Janice Hall, Sadieville, Kentucky, and Debbie Browning, Georgetown, Kentucky, stayed at Wendover while attending a friend's wedding in the area.
- June 27 Billye Moffatt, FNP, Albuquerque, New Mexico.  
Bill and Pat Killman, Hartford, Kentucky.
- June 29/30 James and Debbie Johnson and their daughters, Muskego, Michigan.
- June 30 Courier LouAnne Roberts' parents, Kenneth and Kittye Roberts, and a friend, Lexington, Kentucky.



July 2 Herman Holt, Hillsboro, Ohio; Melvin Holt, Ocala, Florida; Larry Holt, Davie, Florida, and Jeanne Guerrero, Pompano Beach, Florida, spent two nights. Herman Holt worked for Mrs. Breckinridge when he was a boy.



*Left to right: Herman Holt, Melvin Holt, Jeanne Guerrero and Larry Holt*

July 8 Ted and Lynn Lapierre and their children, Newington, Connecticut, spent the night while visiting Dr. Anne. Mr. Lapierre is Dr. Anne's nephew.

July 8/9 Russell Mead and his wife, Hendersonville, Tennessee. They were in Hyden working with Habitat for Humanity.

July 16 Kim Trout and her son, Huntingdon, Pennsylvania.

July 24 CNEP Level III dinner with 27 in attendance.



- July 25 Robert Johnson, Chattanooga, Tennessee.
- July 31 Kenneth Tuggle and Charles Allen, Frost Brown Todd, LLC, Louisville, Kentucky.
- August 1 Dinner for Allied Health students/faculty, Medina, New York. Ten in attendance.
- August 3 The Osborne Brothers and their band members spent the night while in town for their Annual Bluegrass Festival.
- Noel Fernandez, Pomona, New York, stayed at Wendover for five days while working with Dr. Anne on her book.
- August 4 Sue Anne and Karen Bottomley, Columbia, Maryland, stayed for two nights while visiting Dr. Anne. Ms. Bottomley is Dr. Anne's niece.
- August 10 FNS annual picnic was held.
- August 18 Marge and George Stevens, Fort Washington, Maryland. Mrs. Stevens is Dr. Anne Wasson's niece.
- August 23/24 Several faculty members from the FSMFN stayed at Wendover during their Midwifery/CFNP Bound orientation classes.

#### Tours

- June 26 Nancy Ashworth, *Eastern Kentucky Magazine*, Viper, Kentucky.
- July 9 Ted and Lynn Lapierre, Newington, Connecticut.



- July 23      Sharlene Clemins, Hazard, Kentucky, and four friends.
- July 25      Roy and Brenda Boyd, Cedar Bluff, Virginia, and Ricky Simpson and his wife, Wendover, Kentucky.
- July 31      Georgia Ledford, Big Creek, Kentucky, and her daughter.
- August 1     Ten students/faculty, Allied Health, Medina, New York.



*Students from Allied Health - left to right back row: Katie Granzow, John Huber (Instructor), Emily Smith, Melinda Cole. Front row - Lisa MacEvoy (Instructor), Deanna Major, Jessica Martin, Valerie Childs, Sonia Tavsor, AnnDraia Bales (FNS Tour Guide)*

August 6      Sue Anne Bottomley, Columbia, Maryland.

Early March, FNS Nurse-Midwife Molly Lee, England, visited Wendover and other friends in the community. Miss Lee



was at FNS for different periods of time from 1955 until mid-'70's. She was Dean of the Frontier School of Midwifery in 1968.



*Molly Lee*

### **Bed & Breakfast Inn Comments**

“What a blessed memory of goodness and kindness and honesty we still have in our country. Wendover is a living example of this truth. God is so good to help us keep a place like this still going on. It’s like coming home”.

*-Jeanne Guerrero, Pompano Beach, Florida*

“What a beautiful home filled with wonderful history. This is wonderful! I returned after 20 years!”

*-Susan and John Frank, Newport, Kentucky*

“Once again, my thanks to Christine, Linda and your entire staff for making our visit a pleasant one as always. I am already looking forward to my next return”. *-Larry Holt, Davie, Florida*



**Frontier School of Midwifery and Family Nursing  
CNEP/CFNP News**

*Susan Stone, FSMFN Dean and President and  
Dr. Julie Marfell, CFNP Director*



***Susan Stone***



***Dr. Julie Marfell***

What an exciting time at the Frontier School of Midwifery and Family Nursing (FSMFN)! August 22-26, 33 Community-based Nurse-Midwifery Education Program (CNEP) students and nine Community-based Family Nurse-Practitioner Program (CFNP) students were on "the hill" attending newly renamed "Frontier Bound". A large banner stating, "Welcome to Frontier, the FSMFN welcomes it's newest class" was hung across Route 421 to greet the students and faculty as they entered Hyden. Within 20 minutes of the banner being hung an undergraduate nursing student from Hyden was in the office at the School requesting information on the CNEP and CFNP programs.

It was a terrific Frontier Bound. The energy that the students bring to the faculty and staff is unbelievable. There was lots of singing, some tears of joy and many new friendships formed over those four days. The next Frontier Bound is November 7-11, 2001.

We also have a student that is trailblazing. Rosalind Klinepeter is a 1999 graduate of CNEP and has returned to FSMFN to complete the CFNP Program. She is the first student to return to complete the CFNP Program. We continue to have inquiries about how to complete both programs while they are enrolled. It has been our plan to offer our students this option and we are continuing the process of making a smooth track for the students



to complete both certificates if they so desire.

The faculty is thrilled to have a space dedicated to faculty practice offices and a conference room in Morton-Gill building (School). The office and conference room are located at the front of the building on the second floor. Dr. Anne Wasson graciously donated some furniture and artwork to help furnish the conference room and offices.



### WEBSITES

Frontier Nursing Service - [www.frontiernursing.org](http://www.frontiernursing.org)

FSMFN Community-Based Nurse-Midwifery Education Program(CNEP) - [www.midwives.org](http://www.midwives.org)

FSMFN Community-Based Nurse-Practitioner Program (CFNP) - [www.frontierfnp.org](http://www.frontierfnp.org)



**Courier Program News**

*-Barb Gibson*

Rebecca Lesser, Berkeley, California, was here from May 20 - August 3. She is very interested in midwifery and spent a lot of her time shadowing midwives as well as FNP's and other providers. Rebecca plans to have a career in nursing.



***Rebecca Lesser***

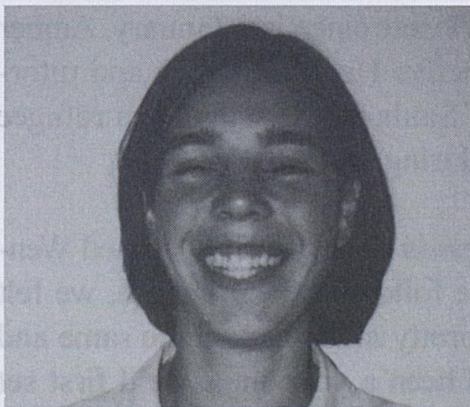
LouAnne Roberts, Lexington, Kentucky, participated in the Program from June 1 - August 24. LouAnne is interested in becoming a FNP. During her time here she shadowed almost all of the providers. LouAnne moved to Brooklyn, New York after leaving FNS.



***LouAnne Roberts***

Renee Railey, Madison, Wisconsin, arrived August 20 and will be here for eight weeks. She graduated from the University of Wisconsin and has an interest in public health.

Katie MyGatt, Lincoln, Massachusetts, arrived August 26 and will be here for 12 weeks. Katie graduated from Concord Academy, Lincoln, Massachusetts, and will be attending Middlebury College, Middlebury, Vermont.



***Renee Railey***



***Katie MyGatt***



*Former Courier News*

*Michelle Lee ('97)* graduated from Harvard in 1998 and is living in Brooklyn, New York. She works at the Greater New York Hospital Association which represents over 200 hospitals and nursing homes in the New York metropolitan area. Her job involves doing research and writing grant proposals for various health policy projects.

*Ann DeBourcy ('98)* graduated from Princeton University, Princeton, New Jersey, during June 2000 with a degree in Molecular Biology. Ann has been accepted into New York Medical College in Valhalla, New York.

*Jennifer Swisher, Catherine Thompson, Mariah Mottley and Karen Thomisee ('99)* wrote that Karen is a photographer for a paper in North Carolina; Jennifer is starting her fourth year of medical school; Mariah is engaged and starting her fourth year of college. She is the proud Mom of an Elkhound named "Juno" and Catherine just finished nursing school and will soon start work in Manhattan.

These four just had another Courier reunion, this time in Montana.

*Amber Waters ('00)* wrote that she is now a "married Peace Corps Volunteer" in El Salvador. Amber and her husband, Chuck, were married November 11, 2000 and have lived in El Salvador in the epicenter of San Vicente since late January. Amber and Chuck are teaching Reproductive Health, English and tutoring math in their small village of Santa Marta which is a refugee community that was heavily hit during the war.

*Megan Stumm and Miranda Gillespie ('00)* visited Wendenover in early June and wrote the following: "Driving in, we felt like we'd never left. Everything pretty much looked the same and it was hard to believe that it had been a year since we'd first set eyes on the place. We've had a great time in our four days here



talking to Dr. Anne, seeing Barb and everyone else at Wendover and hangin' out with the new, fun Couriers. It makes us a little sad that we aren't going to be spending the summer with them."

Megan is getting ready to start medical school at the University of Wisconsin and Miranda received a Fulbright Fellowship to Canada (as did Erin Banta who was also a Courier in the summer of 2000). **Dana Traver**, the fourth Courier in this group, will be getting her RN/Masters at Johns Hopkins in the fall.

Due to limited space because of the Annual Report, "Beyond the Mountains" was not written for this issue of the Quarterly Bulletin



**SEVENTY-SIXTH ANNUAL REPORT OF  
THE  
FRONTIER NURSING SERVICE**

**For the Fiscal Year  
May 1, 2000 to April 30, 2001**

**Preface**

As has been our custom since we were one year old, we present our annual report of the fiscal affairs of the field operations of the Frontier Nursing, 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, 2001.





**POTTER & COMPANY, LLP**

Certified Public Accountants ■ Business Advisors

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## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying combined statements of financial position of FNS, Inc. (a non-profit organization) and affiliates as of April 30, 2001 and 2000, and the related combined statements of activities and changes in net assets and cash flows for the years then ended. These combined financial statements are the responsibility of the Service's management. Our responsibility is to express an opinion on these combined financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the combined 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 audits provide a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of FNS, Inc. and affiliates as of April 30, 2001 and 2000, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*Potter & Company, LLP*

POTTER & COMPANY, LLP  
July 13, 2001



FNS, INC. AND AFFILIATES  
 COMBINED STATEMENTS OF FINANCIAL POSITION  
 April 30, 2001 and 2000

	<u>2001</u>	<u>2000</u>
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 1,240,195	\$ 2,274,551
Receivables:		
Patient, less allowances for uncollectible accounts of approximately \$2,021,000 and \$2,300,000 in 2001 and 2000, respectively	2,824,773	2,053,573
Student tuition, less allowances for uncollectible accounts of approximately \$15,000 and \$31,000 in 2001 and 2000, respectively	170,450	396,095
Other	900	875,721
Investments	29,315,224	31,215,909
Inventories	260,116	353,303
Prepaid expenses and other assets	331,750	105,298
Total current assets	<u>34,143,408</u>	<u>37,274,450</u>
Property and equipment, net	2,470,509	2,923,403
Other assets:		
Present value of beneficial interest in outside trusts	<u>1,899,853</u>	<u>2,105,670</u>
Total assets	<u>\$ 38,513,770</u>	<u>\$ 42,303,523</u>

See accompanying notes.





COMBINED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS  
 For the years ended June 30, 2001 and 2000

	2001	2000
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Accounts payable	\$ 1,010,246	\$ 772,726
Accrued salaries and withholdings	381,087	345,015
Accrued vacation expense	385,129	389,099
Deferred tuition, students	513,413	671,988
Self-insured reserve	321,845	421,385
Estimated third-party payor settlements	458,639	569,535
Capital lease payable - current portion	94,712	120,560
Notes payable - current portion	15,879	8,237
Bond payable - current portion	106,919	100,808
Other liabilities	628,568	466,862
Total current liabilities	<u>3,916,437</u>	<u>3,866,215</u>
Long term liabilities:		
Capital lease payable, net of current portion	0	106,526
Notes payable, net of current portion	54,606	33,454
Bond payable, net of current portion	211,395	317,821
Total long term liabilities	<u>266,001</u>	<u>457,801</u>
Total liabilities	<u>4,182,438</u>	<u>4,324,016</u>
Net Assets:		
Unrestricted	17,523,997	21,542,401
Temporarily restricted	10,988,460	12,624,914
Permanently restricted	5,818,875	3,812,192
Total net assets	<u>34,331,332</u>	<u>37,979,507</u>
Total liabilities and net assets	<u>\$ 38,513,770</u>	<u>\$ 42,303,523</u>



**FNS, INC. AND AFFILIATES**  
**COMBINED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
Years ended April 30, 2001 and 2000

	<u>2001</u>	<u>2000</u>
Change in unrestricted net assets:		
Revenues and gains:		
Net patient service revenue	\$ 14,250,646	\$ 14,908,338
Contributions	689,148	1,149,260
Education revenues:		
Tuition and educational fees	1,562,281	1,361,157
Federal grants	113,786	170,650
Other grant revenue	79,944	60,000
Net realized and unrealized gain on investments	(2,836,403)	2,640,884
Other revenue:		
Interest and dividend income	1,135,925	915,151
Other revenue	269,933	909,677
Total revenues and gains	<u>15,265,260</u>	<u>22,115,117</u>
Expenses:		
Salaries and wages	7,988,893	8,040,134
Fringe benefits	1,429,429	1,306,051
Medical services, supplies, and other expenses	6,852,130	6,002,091
Facility costs	1,718,572	1,687,981
Provider taxes	181,398	203,912
Provision for bad debts	1,113,242	793,624
Total expenses	<u>19,283,664</u>	<u>18,033,793</u>
Change in unrestricted net assets	<u>(4,018,404)</u>	<u>4,081,324</u>
Change in temporarily restricted net assets:		
Contributions	85,852	124,608
Change in annuity payable	34,165	0
Net realized and unrealized gain on investments	(1,756,471)	2,018,632
Change in temporarily restricted net assets	<u>(1,636,454)</u>	<u>2,143,240</u>
Change in permanently restricted net assets:		
Contributions	2,212,500	25,318
Present value of beneficial interests in outside trusts	(205,817)	178,344
Change in permanently restricted net assets	<u>2,006,683</u>	<u>203,662</u>
Change in net assets	(3,648,175)	6,428,226
Net assets, beginning of year	<u>37,979,507</u>	<u>31,551,281</u>
Net assets, end of year	<u>\$ 34,331,332</u>	<u>\$ 37,979,507</u>

See accompanying notes.





**FNS, INC. AND AFFILIATES**  
**COMBINED STATEMENTS OF CASH FLOWS**  
Years ended April 30, 2001 and 2000

	2001	2000
Cash flows from operating activities:		
Change in net assets	\$ (3,648,175)	\$ 6,428,226
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Present value of beneficial interest		
in outside trusts	205,817	(178,344)
Provision for bad debts	1,113,242	793,624
Depreciation	739,166	783,591
Net unrealized loss (gain) on investments	7,201,144	(2,722,882)
Contributions restricted for programs and investments	(2,212,500)	(25,318)
(Increase) decrease in:		
Patient receivables	(1,884,442)	(910,510)
Student tuition receivables	225,645	(168,815)
Other receivables	874,821	(25,528)
Inventories	93,187	60,230
Other assets	(226,452)	(17,046)
Increase (decrease) in:		
Accounts payable	237,520	(725,073)
Deferred tuition, students	(158,575)	428,313
Self-insurance reserve	(99,540)	(13,915)
Estimated third-party payor settlements	(110,896)	(185,606)
Other liabilities	193,808	(188,710)
Net cash provided by operating activities	<u>2,543,770</u>	<u>3,332,237</u>
Cash flows from investing activities:		
Purchase of property and equipment	(286,272)	(410,021)
Net purchase of investments	<u>(5,300,460)</u>	<u>(1,928,858)</u>
Net cash used in investing activities	<u>(5,586,732)</u>	<u>(2,338,879)</u>
Cash flows from financing activities:		
Borrowings from notes payable	40,472	46,210
Payments on notes payable	(11,679)	(4,519)
Payments on capital leases	(132,373)	(124,433)
Payments on bond payable	(100,314)	(94,581)
Investment subject to program restrictions	<u>2,212,500</u>	<u>25,318</u>
Net cash provided by (used in) financing activities	<u>2,008,606</u>	<u>(152,005)</u>

See accompanying notes.



**FNS, INC. AND AFFILIATES**  
**COMBINED STATEMENTS OF CASH FLOWS (CONTINUED)**  
 Years ended April 30, 2001 and 2000

	<u>2001</u>	<u>2000</u>
Net increase (decrease) in cash and cash equivalents	(1,034,356)	841,353
Cash and cash equivalents, beginning of year	<u>2,274,551</u>	<u>1,433,198</u>
Cash and cash equivalents, end of year	<u>\$ 1,240,195</u>	<u>\$ 2,274,551</u>
Supplemental cash flow information:		
Cash payments for interest	<u>\$ 47,547</u>	<u>\$ 72,764</u>

See accompanying notes.





**FNS, INC. AND AFFILIATES**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS**  
April 30, 2001 and 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This 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 accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Organization:

Mary Breckinridge established Frontier Nursing Service 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 and contributions from donors.

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. Intercompany transactions and accounts have been eliminated in combination.



**FNS, INC. AND AFFILIATES**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS**  
April 30, 2001 and 2000

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Presentation:**

The accompanying financial statements have been prepared on an accrual basis in accordance with accounting principles generally accepted in the United States of America.

The Service reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted.

Contributions and donations that are restricted by the donor are reported as increases 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 as net assets released from restrictions.

**Use of Estimates:**

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and Cash Equivalents:**

Cash and cash equivalents consists of cash and highly liquid investments having an original maturity of three months or less. The carrying amount of cash equivalents approximates fair value.

**Accounts Receivable, Students and Deferred Tuition, Students:**

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

**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.





FNS, INC. AND AFFILIATES  
NOTES TO THE COMBINED FINANCIAL STATEMENTS  
April 30, 2001 and 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. The Board of Governors designates unrestricted assets for special uses. The Board of Governors has designated the following unrestricted funds to accumulate monies for the indicated purposes:

The Consolidated Fund accumulates 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.

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.

Beneficial Interest in Outside Trusts:

The Service is a beneficiary of trust funds held by others. The Service has recorded as an asset the fair value of the trusts, which represents an estimate of the net present value of the estimated income to be received from the outside trusts and the remaining value of the trusts to be transferred.





**FNS, INC. AND AFFILIATES**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS**  
April 30, 2001 and 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Gift Annuity Reserve:**

Contributions received by the Service under gift annuity agreements are recorded at fair value at the date of contribution. Under the terms of the annuity agreement, the Service holds the assets contributed and makes periodic payments of a fixed amount to the annuitant for the remainder of the annuitant's lifetime. Assets held under the gift annuity agreement at April 30, 2001 and 2000 totaled \$212,000 and \$244,000, respectively. The net present value of the annuity obligation, calculated using the applicable federal rates and life expectancy tables totaled approximately \$75,000 and \$93,000 at April 30, 2001 and 2000.

**Property and Equipment:**

Property and equipment is stated at cost. Depreciation is provided using straight-line and accelerated methods over the estimated useful lives of the assets. Total depreciation expense was approximately \$739,000 and \$784,000 for the years ended April 30, 2001 and 2000, respectively.

**Preceptor Fees:**

During the time that students are enrolled in their clinical study, they are assisted by a preceptor. The Service accrues preceptor fees for each student as the student becomes eligible for the clinical study.

**Accrued Malpractice Reserve:**

The provision for estimated medical malpractice claims includes estimates of the ultimate costs for reported claims.

**Statements of Activities:**

The statements of activities include revenues over expenses. Changes in unrestricted net assets which are excluded from revenues over expenses include contributions from affiliates and permanent transfers to and from affiliates for other than goods and services.

**Grant Revenues:**

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

**Net Patient Service Revenue:**

The Service has agreements with third-party payors that provide for payments to the Hospital at amounts different from established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per diem payments. Net patient revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement





FNS, INC. AND AFFILIATES  
 NOTES TO THE COMBINED FINANCIAL STATEMENTS  
 April 30, 2001 and 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Patient Service Revenue (Continued):

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 service revenue rendered consists of the following:

	<u>2001</u>	<u>2000</u>
Gross patient revenue	\$ 21,969,550	\$ 23,031,077
Less charity and contractual adjustments	<u>7,718,904</u>	<u>8,122,739</u>
Net patient service revenue	\$ <u>14,250,646</u>	\$ <u>14,908,338</u>

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 \$944,000 and \$1,161,000 in 2001 and 2000, respectively.

Advertising:

The Service expenses advertising costs as they are incurred. Advertising expense for the years ended April 30, 2001 and 2000 was approximately \$30,000 and \$47,000, respectively.

Income Taxes:

All entities comprising the Service are a not-for-profit corporation and have been recognized as tax-exempt pursuant to Section 501(c)(3) of the Internal Revenue Code, except for REI, which is a not-for-profit corporation recognized under Section 501(c)(2) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the financial statements.

NOTE 2 - OTHER RECEIVABLES

Other receivables consists of the following at April 30:

	<u>2001</u>	<u>2000</u>
KHCP receivable	\$ 0	\$ 871,987
PIP receivable	0	175
Employee receivable	0	950
Trade receivable	0	1,175
Contracts receivable	<u>900</u>	<u>1,434</u>
	\$ <u>900</u>	\$ <u>875,721</u>





**FNS, INC. AND AFFILIATES**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS**  
 April 30, 2001 and 2000

**NOTE 3 - INVESTMENTS**

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

	2001		2000	
	Cost	Market	Cost	Market
Cash management funds	\$ 4,190,997	\$ 4,190,997	\$ 1,451,318	\$ 1,451,318
Corporate bonds	5,182,824	5,335,589	4,873,569	4,798,483
Common trust fund bonds	1,664,443	1,748,251	1,583,585	1,604,422
Common Stock	12,268,751	16,273,318	9,468,414	20,106,792
Common trust fund equities	1,792,025	1,767,069	2,421,694	3,254,894
Total investments	<u>\$ 25,099,040</u>	<u>\$ 29,315,224</u>	<u>\$ 19,798,580</u>	<u>\$ 31,215,909</u>

**NOTE 4 - PROPERTY AND EQUIPMENT**

Property and equipment held by the Service includes the following at April 30:

	2001	2000
Land	\$ 231,427	\$ 200,529
Buildings	4,518,078	4,516,550
Equipment	7,421,174	7,195,694
Construction in progress	0	16,906
	<u>12,170,679</u>	<u>11,929,679</u>
Less accumulated depreciation	<u>(9,700,170)</u>	<u>(9,006,276)</u>
Property and equipment, net	<u>\$ 2,470,509</u>	<u>\$ 2,923,403</u>

**NOTE 5 - BENEFICIAL INTEREST IN OUTSIDE TRUSTS**

The composition of the Service's beneficial interest in outside trusts held by third parties at April 30 consists of the following:

	2001	2000
Ballard trust	\$ 337,637	\$ 410,561
Gage trust	1,098,025	1,210,900
Jones trust	49,471	0
Patterson trust	207,557	215,442
Ross trust	76,284	87,790
Schoff trust	38,081	85,958
Stebbins trust	92,798	95,019
	<u>\$ 1,899,853</u>	<u>\$ 2,105,670</u>





**FNS, INC. AND AFFILIATES**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS**  
 April 30, 2001 and 2000

**NOTE 6 - ACCRUED MALPRACTICE RESERVE**

The Service purchases professional and general liability insurance to cover medical malpractice claims. There are known claims and incidents that may result in the assertion of additional claims, as well as claims from unknown incidents that may be asserted arising from services provided to patients. The Service has employed independent actuaries to estimate the ultimate costs, if any, of the settlement of such claims. In the opinion of the Service, such insurance and estimated reserves for deductibles are adequate to cover significant losses, if any. Should the claims-made policies not be renewed or 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, 2001 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 7 - OPERATING LEASES**

The Service leases various equipment and facilities, such as the property leased from FNS Real Estate, Inc. Total rental expense for all operating leases was approximately \$722,568 and \$660,000 in 2001 and 2000, respectively.

Future minimum lease payments under operating leases that have remaining terms in excess of one year as of April 30, 2001 are:

**Year ending April 30:**

2002	\$ 120,486
2003	94,324
2004	95,784
2005	97,245
2006	98,706
Thereafter	41,380
	<u>\$ 547,925</u>

The Service also contracts with certain professionals, including those who provide anesthesia, laboratory, x-ray, physical therapy, and pharmacy services.





FNS, INC. AND AFFILIATES  
 NOTES TO THE COMBINED FINANCIAL STATEMENTS  
 April 30, 2001 and 2000

NOTE 8 - CAPITAL LEASES

The Service has Hospital equipment under capital lease. The leased property as of April 30, 2001, had a cost of \$543,882, accumulated amortization of \$325,687 and a net book value of \$87,470. Amortization of the leased property is included in depreciation expense at April 30, 2001.

The future minimum lease payments under the capital lease and the net present value of the future minimum lease payment at April 30, 2001, are as follows:

Year ending April 30:

2002	\$ 98,487
Less amount representing interest	<u>(3,775)</u>
Present value of minimum lease payments	<u>\$ 94,712</u>

NOTE 9 - NOTES PAYABLE

Notes payable consists of the following at April 30:

	<u>2001</u>	<u>2000</u>
Note payable to bank: due September 16, 2004; interest at 7.65%; due in monthly installments of \$931, including interest, collateralized by two 1999 Nissan Pathfinders	\$ 33,454	\$ 41,691
Note payable to bank: due July 10, 2005; interest at 9.52%; due in monthly installments of \$398, including interest, collateralized by a 1999 Chevy Blazer	16,636	0
Note payable to bank: due December 1, 2005; interest at 9.48%; due in monthly installments of \$931, including interest; collateralized two 1999 Chevy Blazers	<u>20,395</u>	<u>0</u>
	70,485	41,691
Less current portion	<u>15,879</u>	<u>8,237</u>
Noncurrent notes payable	<u>\$ 54,606</u>	<u>\$ 33,454</u>

The aggregate maturities of notes payable for years subsequent to April 30, 2001 are as follows:

Year ending April 30:

2002	\$ 15,879
2003	17,287
2004	18,820
2005	13,847
2006	<u>4,652</u>
	<u>\$ 70,485</u>





**FNS, INC. AND AFFILIATES**  
 NOTES TO THE COMBINED FINANCIAL STATEMENTS  
 April 30, 2001 and 2000

NOTE 10 - CONCENTRATIONS OF CREDIT RISK

The Service maintains cash in deposit accounts with federally insured banks. At times the balances in these accounts may be in excess of federally insured limits. The Service considers the risk associated with excess cash balances to be minimal.

The Service grants credit without collateral to its patients, most of who are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors at April 30, 2001 is as follows:

Medicare	21.37%	Commercial insurance	36.24%
Medicaid	24.91%	Patients	17.48%

The Service's entire tuition receivable at April 30, 2001 and 2000 represents amounts due from students.

NOTE 11 - BONDS PAYABLE

Bonds payable at April 30, 2001 and 2000 consist of the following:

	<u>2001</u>	<u>2000</u>
1997 FNS, Inc. and Leslie County, Kentucky Industrial Building Revenue Bonds, various monthly principal payments with interest payments at 5.90% payable March 15, 1997 and monthly thereafter on the fifteenth business day of each month. The interest rate may not exceed the rate permitted by law. Final principal payment due January 15, 2004.	\$ <u>318,314</u>	\$ <u>418,629</u>

The aggregate maturities of bonds payable for the next five years are as follows:

Year ending April 30:

2002	\$ 106,919
2003	113,400
2004	97,995
Total bond payable	<u>\$ 318,314</u>





FNS, INC. AND AFFILIATES  
 NOTES TO THE COMBINED FINANCIAL STATEMENTS  
 April 30, 2001 and 2000

NOTE 12 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

	<u>2001</u>	<u>2000</u>
Alice Adams Fund	\$ 10,140	\$ 13,084
Arronson Fund	13,519	3,094
Atwood Fund	472,804	605,380
DuPont Fund	590,100	722,960
Ernst Fund	27,388	25,785
Ferguson Fund	16,900	12,783
Endowment Fund	434,606	588,442
Friends Fund	104,130	126,583
Gift Annuity Fund	537,986	546,168
Hyden Hospital Fund	169,206	206,489
Jesse N. Smith Fund	222,457	0
Kate Ireland Women's Healthcare	455,681	510,493
KI Scholarship Fund	168,853	164,667
KIWHCC Education Fund	517,455	597,426
Mardi Perry Fund	47,986	48,964
NEED Fund	6,811,368	7,877,803
Shockey/Bulkey Trust	230,229	370,978
Social Services Fund	147,459	186,208
Susanne Preston Wilson Fund	4,744	1,941
Taylor Fund	5,449	15,666
	<u>\$ 10,988,460</u>	<u>\$ 12,624,914</u>

NOTE 13 - PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets include gifts, which require by donor restriction that the corpus be invested in perpetuity and only the income be made available for program operation in accordance with donor restrictions.





Report of Operations

FNS, INC. AND AFFILIATES  
 NOTES TO THE COMBINED FINANCIAL STATEMENTS  
 April 30, 2001 and 2000

NOTE 13 - PERMANENTLY RESTRICTED NET ASSETS (CONTINUED)

Permanently restricted net assets are summarized as follows:

	2001	2000
Alice Adams Fund	\$ 22,722	\$ 22,722
Alice E. Whitman Memorial Library Fund	7,500	0
Ann P. Whistler Fund	2,200,000	0
Arronson Fund	110,369	110,369
Atwood Fund	344,573	344,573
DuPont Fund	376,217	376,217
Ernst Fund	47,701	47,701
Ferguson Fund	36,951	36,951
Endowment Fund	140,820	140,820
Friends Fund	34,732	34,732
Hyden Hospital Fund	48,476	48,476
Mardi Perry Fund	37,023	37,023
Nixon Billings Fund	105,155	105,155
Rodes Memorial Trust	69,957	69,957
Shockey/Bulkey Trust	165,511	165,511
Social Services Fund	41,925	41,925
Susanne Preston Wilson Fund	30,318	25,318
Taylor Fund	99,072	99,072
Outside Trusts	1,899,853	2,105,670
	<u>\$ 5,818,875</u>	<u>\$ 3,812,192</u>

NOTE 14 - MEDICARE AND MEDICAID PROGRAMS

The Service participates in the Medicare and Medicaid Programs. For the year ended April 30, 2001, approximately 75% of the Service's net patient revenue was derived from services to patients covered by these Programs. The corresponding percentage was 71% for the year ended April 30, 2000.

Medicare:

Medicare payments for inpatient services are made based upon the patient's diagnosis, irrespective of cost. The diagnosis upon which payment is based is subject to review by Medicare (the "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, 2001 and 2000

NOTE 15 - 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 0.5% to 2.5% of net collections from patient services and are eligible for reimbursement for certain services provided to indigent patients. The 2001 statement of activities includes revenue of approximately \$750,000 and expenses of \$181,000 related to this program. Corresponding amounts were approximately \$910,000 and \$204,000 in 2000.

NOTE 16 - 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 \$160,000 in 2001 and \$149,000 in 2000 related to the retirement plan.





**Report of Operations**

The following is a comparative analysis of services provided at Mary Breckinridge Hospital during the two fiscal years 2000 and 2001.

	<b>FYE 2000</b>	<b>FYE 2001</b>
Percent of occupancy	42.3	36.4
Patient days (total)	6,342	4,754
Medical/Surgical	5,182	4,119
Obstetrical	499	312
Skilled Beds	661	323
Admissions (total)	1,749	1,284
Medical/Surgical	1,516	1,122
Obstetrical	186	133
Skilled Beds	47	29
Average daily census	16.9	14.6
Average length of stay	3.3	3.5
Newborn percent of occupancy	7.9	5.5
Newborn patient days	253	169
Newborn admissions	107	74
Newborn average daily census	1.4	2.1
Newborn length of stay	2.3	2.2
Deliveries (total)	111	74
Physician	50	26
Midwife	55	37
Physician/Midwife	6	11
C-sections	34	25
Operations (total)	496	367
In-patient	209	134
Out-patient	287	233



	FYE 2000	FYE 2001
Deaths	43	22
In-patients	23	13
Emergency Room	10	9
X-rays (total)	13,652	11,587
In-patient	1,011	796
Out-patient	8,704	7,585
CT scans - in-patient	351	311
CT scans - out-patient	1,432	1,209
Ultrasound - in-patient	280	251
Ultrasound - out-patient	1,510	1,096
Mammograms	364	339
Lab procedures (total)	125,714	135,446
In-patient	43,857	45,341
Out-patient	60,456	69,214
Referred in	21,401	20,891
Physical Therapy (total)	7,178	5,333
In-patient	975	981
Out-patient	6,203	4,352
EKG procedures (total)	3,354	2,693
In-patient	1,478	800
Out-patient	1,876	1,893
EEG procedures (total)	26	29
In-patient	9	11
Out-patient	17	18
Respiratory Therapy (total)	57,346	45,866
In-patient	49,210	39,498
Out-patient	8,136	6,368



	FYE 2000	FYE 2001
Home Health visits (total)	14,541	16,358
Clinics (total)	41,153	38,569
Hyden	19,817	19,147
Emergency Room	8,847	7,995
Kate Ireland Womens	2,977	2,400
Beech Fork	3,162	2,989
CHC	3,311	2,825
Extended Hours	3,039	3,213
Social Services (total)	898	928
In-patient	367	371
Out-patient	250	73
Home Health	281	484
Courier Program:		
Number of Couriers	14	8



### Seventy-Six Year Totals - Selected Data

Because there continues to be interest in these figures, we have reconstructed the essential information necessary to cover FNS' seventy-six 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, 2001.

* Patients registered from the beginning in 1925 (including all clinics and emergency room)	449,477
* Maternity cases delivered	24,868
* Number of days of occupancy in FNS hospitals (including old Hyden Hospital, which opened during June 1928, and Mary Breckinridge Hospital which opened during February 1975). Figures exclude newborns	584,128
* Number of midwives graduated including CNEP	1,440
* Number of CNEP students currently enrolled	180
* Number of CFNP students currently enrolled	23

### Total Contributions

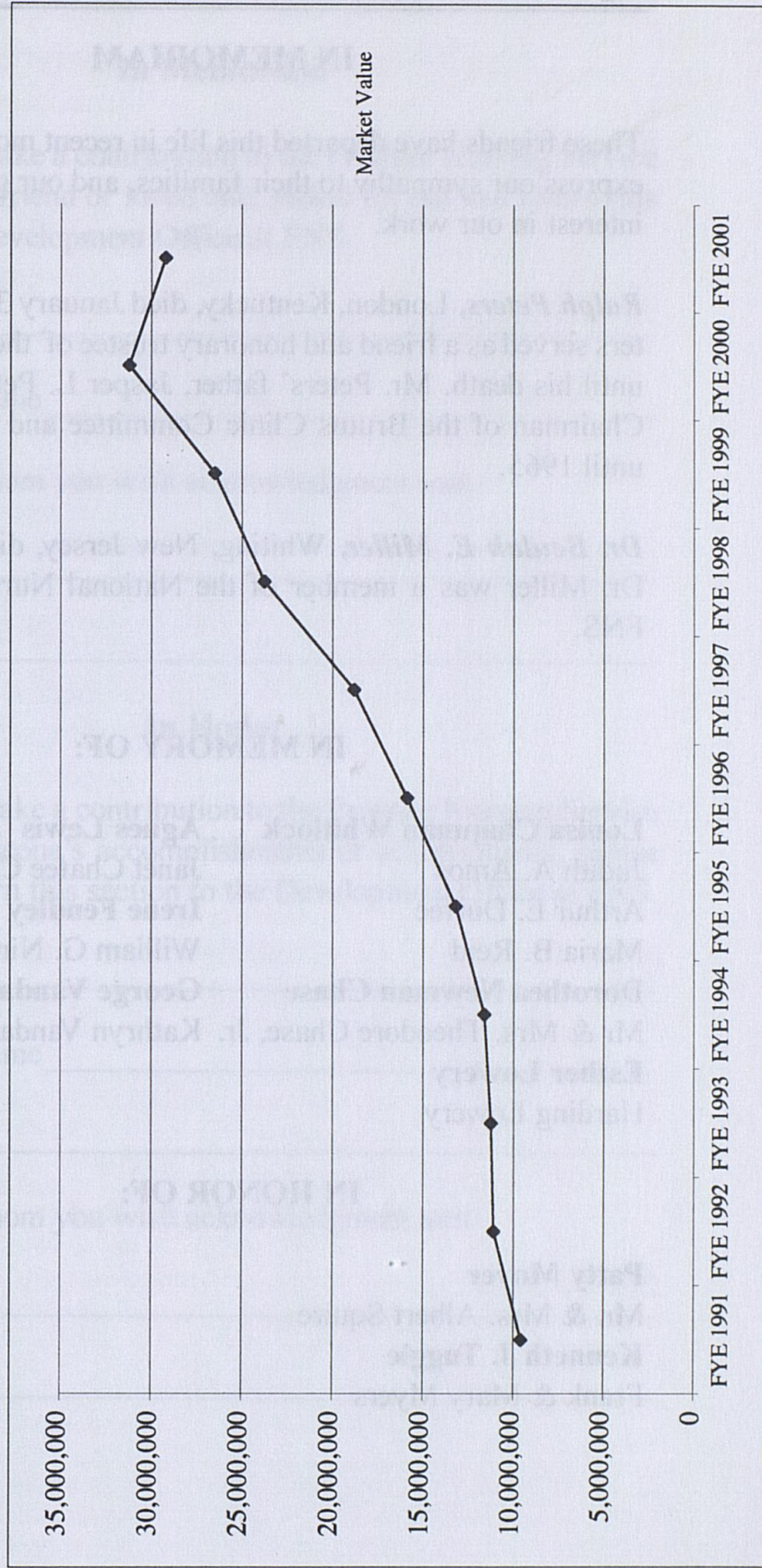
	YTD 1999-2000	YTD 2000-2001
Non-restricted	1,153,798	704,144
Restricted	149,524	2,283,062
Boston Committee	12,032	8,026
Bluegrass Committee	870	625
Daughters of Colonial Wars (DCW'S)	377	870



Investment Growth 1991 through 2001

	FYE 1991	FYE 1992	FYE 1993	FYE 1994	FYE 1995	FYE 1996	FYE 1997	FYE 1998	FYE 1999	FYE 2000	FYE 2001
Market Value	9,566,050	11,087,766	11,239,419	11,601,974	13,179,891	15,878,213	18,808,650	23,760,453	26,499,920	31,215,909	29,202,869
Changes	1,068,810	1,521,716	151,653	362,555	1,577,917	2,698,322	2,930,437	4,951,803	2,739,467	4,715,989	-2,013,040
Total Growth Market Value =											22,718,669

All figures are audited





### IN MEMORIAM

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

**Ralph Peters**, London, Kentucky, died January 31, 2001. Mr. Peters served as a friend and honorary trustee of the FNS from 1992 until his death. Mr. Peters' father, Jasper L. Peters was the first Chairman of the Brutus Clinic Committee and served faithfully until 1965.

**Dr. Beulah E. Miller**, Whiting, New Jersey, died July 1, 2001. Dr. Miller was a member of the National Nursing Council for FNS.

### IN MEMORY OF:

<b>Louisa Chapman Whitlock</b>	<b>Agnes Lewis</b>
Judith A. Amos	Janet Chafee Cushman
Arthur E. Durfee	<b>Irene Fendley</b>
Maria B. Reid	William G. Nine
<b>Dorothea Newman Chase</b>	<b>George Vandam</b>
Mr & Mrs. Theodore Chase, Jr.	Kathryn Vandam
<b>Esther Lowery</b>	
Harding Lowery	

### IN HONOR OF:

**Patty Moyer**  
Mr. & Mrs. Albert Squire  
**Kenneth J. Tuggle**  
Frank & Mary Myers



**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 acknowledgment sent

Name \_\_\_\_\_

Address \_\_\_\_\_

**In Honor**

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 acknowledgment sent

Name \_\_\_\_\_

Address \_\_\_\_\_



**FNS and Subsidiary Corporations****FNS, Inc:**

Deanna Severance, *CEO of FNS, Inc. and President of Frontier Nursing Service, Inc; Mary Breckinridge Healthcare, Inc., and FNS Real Estate.*

Brian Lane, *Controller/CFO*

Jennifer Mercer, *Assistant Controller*

Kevin Couch, *Assistant Controller*

Barb Gibson, *Assistant to CEO*

Vicky Riley, *Assistant to CEO, Lexington Office*

Beulah Couch, *Director of Human Resources*

Brent Swafford, *Plant Operations Manager*

**Frontier School of Midwifery & Family Nursing (FSMFN):**

Susan Stone, *Dean and President*

Dr. Julie Marfell, *CFNP Program Director*

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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 Fund 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 the 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, KY 40507



### Staff Opportunities

Because text for the *Bulletin* must be obtained several days 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 the Department of Human Resources, Wendover, KY 41775 (606-672-2913).

**Courier Program:** This Program 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, FNS, Inc., 132 FNS Drive, Wendover, KY 41775 (606-672-2317). Courier Program e-mail - [courierprogram@yahoo.com](mailto:courierprogram@yahoo.com).

**Nursing Volunteer Program:** This Program is 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 the Director of Nursing, Mary Breckinridge Healthcare, Inc., 130 Kate Ireland Drive, Hyden, KY 41749 (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.

### **Community Health Center:**

Wall Mounted Oscopes (2)	574.59
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### **Emergency Room:**

Warming Blankets	657.74
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Alligator Forceps (ear, nose)	560.87
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### **Frontier School of Midwifery & Family Nursing:**

Microwave for Dorm	130.00
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### **Home Health:**

Drug Reference Books (4)	140.00
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Stethoscopes (2)	88.00
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### **Obstetrics:**

Ultrasound Sonic Stethoscope	532.00
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### **Operating Room:**

Patient Positioning Pads (headrest, donut, candy cane pad, chest roll, sandbag, crutch pad)	580.00
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### **Physical Therapy:**

Saunders Portable Cervical Traction	395.00
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Cuff Weights	275.00
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### **Respiratory Therapy:**

Macintosh Laryngoscope Set	342.00
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Miller Laryngoscope Set	403.95
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### **X-Ray**

Cone Instrument	654.00
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WE THANK YOU  
FOR YOUR PARTICIPATION



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Please send me more information about:

- The FNS Courier and Volunteer programs.
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As an interested friend, my subscription of \$5.00 a year is enclosed.

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

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

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## 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 and nurse-practitioners 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 educational programs for nurse-midwives and nurse-practitioners; 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 Incorporations  
of the Frontier Nursing Service.  
Article III as amended June 8, 1984