

FNS **FRONTIER NURSING SERVICE**
Volume 74 Number 1 Summer/September 1998

SEVENTY-THIRD ANNUAL REPORT



Celebrating 73 Years of Service



US ISSN 0016-2116

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Cover photo:

Visit the FNS web site: www.barefoot.com/fns

Frontier Nursing Service Quarterly Bulletin

Published at the end of each quarter by the Frontier Nursing Service, Inc.

Wendover, Kentucky 41775

Subscription Price \$5.00 a Year for Donors

Subscription Price \$15.00 a Year for Institutions

VOLUME 74

NUMBER 1

Summer

September 1998

Periodicals postage paid at Wendover, KY 41775 and at additional mailing offices. POSTMASTER: Send address changes to FNS, 132 FNS Drive, Wendover, KY 41775. Copyright FNS/Inc. 1998 All Rights Reserved

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*



Mary Breckinridge - Founder of FNS



Big House - Home of Mary Breckinridge

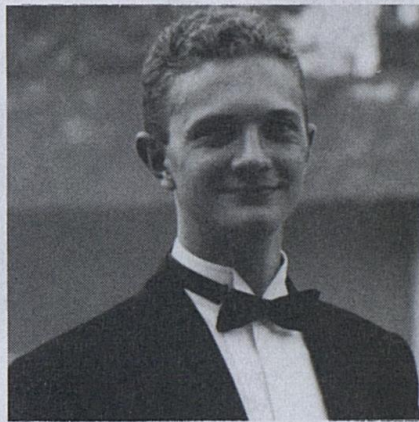
Wendover News

by *Jeremy T. Bush*

"There the dreams are multitudes: Some that will not wait for sleep, deep within the August woods; Some that hum while rest may steep weary labor laid a-heap; Interludes, some, of grievous moods that weep." Loves Nocturn - D.G. Rossetti

Autumn Hints of Love

As the sordid heat of the summer rages like a bull through these hills, we are met with a refreshing nip of coolness in the evening. This kiss of fall and the flirt of winter is more than a physical effect of meteorological events. There is something inherent in all creatures, especially those non-human ones, that cause



them to sense the coming of great change. This sense causes biological and behavioral changes in many animals. The squirrels begin to stock their burrows, geese start their long flight south and bears prepare for a long winter's rest. I admit, I am not a squirrel, but I too have felt this "great change". Standing outside, gazing at these beautiful mountains, I can feel autumn lightly brush my face. I see it painting it's colors on the hills' ivy green canvas. When I breathe deep, something tells me that peace and coolness are just around the corner. These are the "autumn hints of love".

Peach and Trish

Peach, who grows infinitely fatter, has been waddling around the Garden House in search of goodies. He drives himself, not to mention us, nearly insane trying to snatch a bite of anything anyone has! He is a good kid though. I am met each morning by a thump on the air conditioner outside my window and a loud meow, which means "let me in"! When inside, he stops for a quick bite of

Alpo and proceeds directly to Barb's office where his "real" breakfast awaits. He then wanders throughout the Garden House and occasionally we find him in some of the strangest sleeping positions known to vertebrated animals!



Peach . . . "sleeping"?

Trish has recently been moved to a secluded spot a little farther up the hill from her old residence. Don't be alarmed, she still lives in her monogrammed chalet professionally constructed by the local vocational school. This spot gives her a nice shade and is near her favorite nap area. Here she can oversee her beautiful Wendover which she adores and protects.

Osborne Brothers - Wendover

The famous Osborne Brothers and their band recently stayed with us here at Wendover during Leslie County's annual Bluegrass Festival. The Osborne Brothers, who are originally from Leslie County, wanted a nice quiet place to stay during the Festival. Their Manager, Dean Osborne, consulted me and decided that Wendover was the place for them! The Festival went wonderfully and everyone had a good time.

Davis January Visit

Recently Davis January, nephew of the famous Anna Mae January, former Nurse-Midwife at FNS spent the night at Wendover. Mr. Davis had always wanted to visit after hearing Anna Mae tell of her many adventures with the FNS. He had the opportunity to talk to Dr. Anne Wasson who personally knew Anna Mae.

Needless to say, Mr. January enjoyed his stay and will treasure the memory of Anna Mae for the rest of his life.

Former Social Service Secretary Visit



Mary Ann (Quarles) Sanders and her husband, Sandy, visited us on August 26 and 27. Mrs. Sanders was the Social Service Secretary at Wendover from 1948 to 1954 and continues to be involved with FNS through the Boston Committee.

During her time at FNS she met Mr. Sanders (Sandy) who worked at the University of Kentucky. They have been friends all these years and last year they were married!

Both Mary Ann and Mr. Sanders are Sociologists. Mary Ann taught at Berea College and specializes in Criminology. Sandy worked with the University of Kentucky specializing in the Balkan region of eastern Europe. Both have written books and are wonderful individuals.

Like many other FNS workers, Mary Ann has had her spot in the *Quarterly Bulletin* before. She wrote a wonderful article in the Spring 1949 issue. This article is an ode to the first wave of FNS modernization . . . the jeep! Please enjoy . . .

Leo is the Social Services jeep and to my way of thinking by far the best jeep in the service. Jean and the other couriers don't always agree with me on this, but they will have to admit that Leo is pushed down Pig Alley to get started less than the other jeeps.

Since I am the Social Service Secretary, Leo and I are constant companions. Leo takes me to the many places that I have to go. Sometimes I have to take several patients to Hazard . . . and occasionally I have a trip to Manchester. Although there are many sharp curves and some steep hills, the road is blacktopped all the way to both of these places and Leo hums all along the way . . .

Unfortunately the going is not always that easy for Leo. For often one of the nurses at the centers will write me of a family which has been burned out and needs help desperately, or a family where the father is unable to work . . . All of these families are seen by social services and as few of them live right on the highway, it means an arduous pull over dirt roads to get to them . . . It is when Leo and I have to travel over such roads that my admiration for him hits an all-time high. We never travel more than five miles an hour on them, seldom that fast, and often my heart leaps to my mouth as we tip on the ruts . . . I sometimes wonder what my work would be like without Leo. However, I find it impossible to imagine because we are such good friends - Leo and I! (Volume 24, Spring 1949, Number 4).

Second Annual Wendover Picnic

On Friday, June 5, Wendover employees ended the day with a bang! We gathered together for our second annual picnic. We had lots of hotdogs, hamburgers, and horseshoe pitchin' fun! Courier Diana Livingston was our "grill master" volunteer.

Employee family members came and enjoyed the fun. This was also "pet day" and some brought their pets to enjoy the festivities. Mae Caldwell, Development Office Secretary, brought

Otis who thoroughly enjoyed the party. Trish and Peach were close by to receive their tidbits of food that people "accidentally" dropped on the ground.



Diana Livingston - "grill master"



Mae and Otis

FSMFN/CNEP News

This Program is one example of how CNEP students support each other during their education. The "family" connection greatly assists these students as they adapt to the rigors of midwifery education.

-Susan Stone, CNEP Program Director

My name is Cathy Cook. I am a Class 17 graduate and have been the Coordinator for the CNEP Mi Amiga Mentoring Program since 1996. The purpose of the Mi Amiga Mentoring Program is to match students with others who have "been there, done that" and to lend a guiding hand to the new students.

The Mi Amiga Program was designed by CNEP student Sam Cook with suggestions from Christine Guanera (Class 11), and Dianne Johnston (Class 12). After Sam graduated, Dee Mallory (Class 15) took over the job of coordinating mentors and mentorees. Since Dee graduated, I have carried on the tradition of matching mentors with mentorees.

There have been approximately 250 students involved in the Mi Amiga Program. Over 150 matches have been made between mentors and mentorees at various levels in CNEP. Recently, CNEP graduates have begun offering to mentor students too. This expands the program greatly. Many matches have resulted in friendships that are maintained after graduation. It is our great hope that these matches will help students feel more connected and enable them to have someone to reach out to when in need.

-Cathy Cook

A CNEP Student's Story

Last evening, in the dining room of Wendover, Sue Stone presented CNEP's May Level III students with their caps. Receiving my small, white and pink and blue flecked cap filled me with panic, then pride, and lastly, growing awe. My mind quickly ran through the following thoughts - "I can't be ready to catch a baby?!" "This means that I am a Frontier Midwife," and finally, "In tradition of Mrs. Breckinridge, I am trusted with caring for the mothers and babies." As I type this, tears stream down my cheeks. The mandate is almost overwhelming. The tradition of midwives and family nurses that have gone before me is powerful.

This tradition of caps for the "wee ones" is still new for CNEP, yet, it already holds untold depth. Students are beginning to create our own legends: "Don't get a big hat; one student did and her first baby weighed over ten pounds!" Placing a "lost my cap" story on the Banyan Tree is almost as much a milestone as placing the cap onto the infant's head. Students, faculty and staff all look forward to these birth stories. Having read some of these stories yourself, you too have experienced the vicarious birth of an infant, a family, and incredibly, a midwife.

As impossible as it sometimes seems, the education I have received from CNEP has prepared me to care for mothers and babies. With trepidation and exhilaration, I anticipate my first birth. Like students before me, I will place my hands on an emerging head, easing a miracle into the world. Then, after that first time, I will place a Frontier Nursing Service cap on the babe's crown. It is wonderful to celebrate the birth of a babe and the birth of a midwife.

Thank you for placing hats made by the National Society of Daughters of Colonial Wars into the hands of CNEP students. It is with awe that I hold my hat this morning. It will be with great and enduring pride that I will place this same hat on the sweet head of my first birthed "wee one".

-Michelle Doyle, Class 18

Courier News

Karen Thomisee Update

Karen has returned from her wonderful trip to Central Asia. She is quickly adjusting to her new life of photography school and assisting Barb "at a distance" with the Courier Program.

Karen reported that she has been bombarded with letters and notes from many of you. She is sorry that she has not had time to respond to all of these wonderful letters. She wishes to thank all of you for your love and support!

Summer Couriers

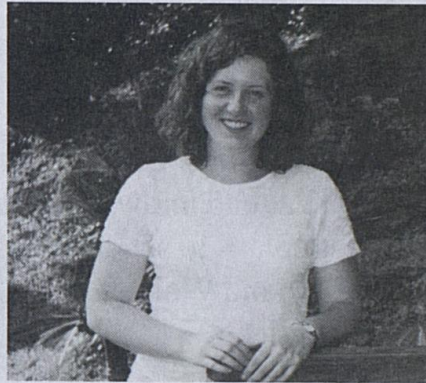
Heather Secrist is majoring in biology and psychology with a pre-medicine concentration at Cornell College in Mt. Vernon, Iowa. Heather came to us from Alma, Wisconsin. She was a very special Courier to the local community through her extensive involvement with the Leslie County Animal Shelter. It was there that she decided to turn her career to veterinary services. We look forward to hearing from her further "animal operations"!



Nancy Reinhart and Heather Secrist

Nancy Reinhart is majoring in journalism and politics at Washington and Lee University in Lexington, Virginia. She intends to be a political analyst in health care policy. Nancy was a very energetic Courier. Her contributions to such local organizations as the homeless shelter were well appreciated. She loved all the wonderful people that she met here!

Ann DeBourcy is a sophomore at Princeton University in Princeton, New Jersey. During her time here she assisted Edith Wooton, worked at the Leslie County Middle School to provide a summer camp for the young ones and worked like a beaver with Sherman doing wood works!



Mary Corcoran came to us from East Carolina University in Greenville, North Carolina. Mary hoped to gain a better understanding of the health care needs of people living in a rural community. Mary spent her time at FNS researching Mrs. Breckinridge, interviewing and working with midwives, and working with our Home Health Agency.

(photo not available)

Tribute to Jerry Santini

FNS employees would like to thank Jerry Santini, Cincinnati, Ohio for his wonderful generosity in providing children's toys for Christmas, infant clothing and so many other needs of the FNS. Jerry has become ill and we want him to know that our thoughts and prayers are with him.

New Fall Couriers

Garran Segal, our recent high school graduate, has come to Wendover from Chicago, Illinois. Garran loves to travel, just returning from a wonderful trip to Nepal and Tibet. She plans to invest her time wisely with Debbie Karsnitz, CNM, at Kate Ireland Women's Center, do outpost clinic work and some heavy quilting with Alabam Morgan! She plans to attend Bryn Mawr College in the Fall of 1998.

Elisabeth Nussbaum is a senior at St. Olaf College in Colorado Springs, Colorado, majoring in peace and justice. She is hoping to attend midwifery school after she graduates this spring. Elisabeth plans to shadow and work with Cyndy Perkins, CNM, at Kate Ireland Women's Center, learn to quilt, and "maybe even fiddle a little"!

Megan McCarville comes to us from Evanston, Illinois. She will be a junior at Northwestern University when she returns in the winter. She is studying economics and hopes to eventually enter medical school. Megan is interested in learning more about how health care is practiced in a rural area. She looks forward to shadowing our pediatrician and surgeon, working in the local middle school, and learning how to quilt.

Former Courier News

Susan Mathew ('98) will be traveling to India for nine months.

Catherine "Cat" Thompson ('98) will be starting nursing school soon. She recently finished an internship on a farm!

Mariah Mottley ('98) will be attending Smith College in Massachusetts this fall.

Jennifery Swisher ('98) has enrolled in medical school! During the week of July 17, Jennifer and her mother, father and brother stopped by Wendover for a two-day visit.

Kit Aldrich ('94) and her sister visited Wendover during the weekend of July 24.



Kit and her Sister

Mitch McClure ('95) and his wife, Elizabeth "Liz" Santos (whom he met at FNS), visited Wendover during the weekend of July 24.



Mitch and Liz

Kate Ireland ('51) and Mrs. Elizabeth "Libby" Bradford Borden ('60) attended the St. Timothy's Class of 1948 reunion at the Knickerbocker Club in New York City on April 28, 1998.



Kate and "Libby"

This *Quarterly Bulletin* could not be mailed on time due to the Audit Report being late. Beyond the Mountains was also excluded from this *Bulletin* due to lack of space. We apologize. -Barb Gibson

Editor's Note

In the following article written by Nina Ross, Nina refers to singer Jean Ritchie. Some of you may recall that Jean Ritchie was the vocalist who sang in the FNS movie "The Road" which was produced in 1967.

A Courier Experience by Nina Ross - Courier 1997

I followed the winding trail out of the woods and to the top of a ridge in Kingdom Come State Park. I was familiar enough with Kentucky geography to recognize that I was looking across the Cumberland Valley to the Appalachian Mountains rising on the other side.



I was struck by the lush green growth and the outlines of the hills made blurry by the effects of the hot mid-day sun on that growth. It was a breathtaking view, and yet closer inspection revealed disturbing flaws. In certain places, raw earth was uncovered; these patches of red dirt were visible even from this distance, and they served to mark sites where mines had once brought great loads of coal out of the depths of the hills. When the mines had ceased to be lucrative, they had been abandoned, and no measures had been taken to promote the healing of the land. The mountains now bore these huge scars from long ago as well as more recent mining wounds.

Looking out, I could also imagine the houses tucked into the hollows between the rising hills. Some houses were well-kept with carefully tended gardens and satellite dishes embracing the newest of technology. Interspersed with these, however, were houses strewn with junk and surrounded by abandoned cars, houses that seemed to exude hopelessness and neglect. Appalachia is indeed a land of contrasts where natural beauty, culture, and pride coexist with scarred land, poverty, and despair.

Appalachia is a region that includes parts of thirteen states and roughly follows the ridges of the Appalachian mountains. Part of Appalachia's story can be told by statistics that paint a picture of economic depression, unemployment, and poverty. Using data from the census and the U. S. Bureau of Labor Statistics, close to 100 counties in Appalachia were classified as "distressed" earlier

this year. These counties have an unemployment rate of at least 150% the national average, a poverty rate of 19.7% or more, and a per capital annual income of \$12,074 or less. Another 25 counties fall just short of these specifications and are classified as "transitional".

In Appalachia, mining is still the largest industry followed by health care and education. The land is inhospitable to farming, and the growth of new industries in other regions that has been fueled by technology and population growth has been slow to come. Appalachia is more than a geographic region, however. It is also a culture and a heritage, and the other part of Appalachia's story is best told by its people. During my stay in Kentucky I found many people who were willing to tell me their part of this story.

Alabam Morgan taught me about Appalachia's past. Although she seemed much younger than her seventy-five years, Alabam was old enough to recall the days when Appalachia's people grew enough food to survive on family farms which were tended by children. These were the days when missionaries and charities discovered Appalachia, and Alabam told me how the health care system which I was working for, Frontier Nursing Service, was started by several nurses who came to the hills of Kentucky to devote themselves to the health of Appalachia's women and children.

Whenever I sat in Alabam's apartment I admired the handmade quilts that adorned her walls. These treasures could have served as a catalog of Appalachian quilt patterns such as the Log Cabin, the Bow Tie, and the Flower Garden. Alabam made her first quilts with fabric from grain sacks. She now joins the rest of Kentucky at Walmart when she needs sewing supplies, but she retains her pride in making her quilts the "old way". As her hands stitched she told me Appalachia's history with enthusiasm and pride.

Every Sunday the congregation of a local Methodist church gave me a glimpse into Appalachia's present. This group graciously swept visitors into its fold with a hospitality that I found characteristic of most of the area. The church was simply furnished, but it housed a remarkable strong sense of community

that brought together whole families every week. As friends gathered, they asked for prayers for neighbors facing difficult times and offered support to those in need. I found myself even more thankful for all the blessings on my own life when surrounded by these people who found joy in small things and who rose above hardship instead of sinking into bitterness. For several weeks the church was converted by night into a boarding house for volunteers who came as part of the Habitat for Humanity "Hammering in the Hills" project.

In July I organized several dance workshops for the summer program held at the school, and the children I worked with taught me about Appalachia's future. My students ranged in age from 8 to 15 years old, and none of them had even seen classical ballet or modern dance before. A quick search of the local phone book revealed why; not a single dance school or company existed for more than a hundred miles. My lessons were received with the enthusiasm of young girls everywhere who view pointe shoes and pick lace as the epitome of grace and beauty. A few girls even had the ability and interest that might elsewhere have led to further training, but I had to reluctantly tell them that I knew of no place for further lessons.

One week before the end of my stay in Appalachia I went to hear folk singer Jean Ritchie perform. Jean Ritchie had been born and raised in Kentucky and as she performed she was welcomed home as a hero who had risen above daily struggles to achieve success. She may have left her home to record albums, but there was no doubt that Jean Ritchie's music still resonated with the sound of Appalachia's people as she performed songs about mining, faith, farming, and love. Later that evening the chairs were cleared and a caller came out of the shadows to lead the people in a square dance. His rhythmic voice rose and fell, and I found myself swept into patterns in which I danced with young and old alike. Smiles abounded, and there was a joyousness in the room that spoke of pride in this heritage and hope for the future. I left Appalachia without easy answers for the economic and social problems facing these people, but as I danced that night I knew in my heart that Appalachia's people are survivors.

SEVENTY-THIRD ANNUAL REPORT OF THE FRONTIER NURSING SERVICE

**For the Fiscal Year
May 1, 1997 to April 30, 1998**

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 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, 1998.

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying combined statements of financial position of FNS, Inc. and Affiliates as of April 30, 1998 and 1997, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Service's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 audits provide 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, 1998 and 1997, and the results of its operations, changes in its net assets and its cash flows for the years then ended in conformity with generally accepted accounting principles.

Potter & Company, LLP

POTTER & COMPANY, LLP
July 30, 1998

FNS, INC. AND AFFILIATES
 COMBINED STATEMENTS OF FINANCIAL POSITION
 April 30, 1998 and 1997

| | 1998 | 1997 |
|--|----------------------|----------------------|
| <u>ASSETS</u> | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 1,208,568 | \$ 1,535,037 |
| Accounts receivable, less allowances for uncollectible accounts of \$893,000 in 1998 and \$1,024,000 in 1997 | 2,010,785 | 2,828,870 |
| Accounts receivable, students tuition | 1,045,181 | 1,419,547 |
| Investments | 23,760,453 | 18,808,650 |
| Inventories | 370,528 | 451,818 |
| Prepaid expenses and other current assets | 121,994 | 85,345 |
| Total current assets | <u>28,517,509</u> | <u>25,129,267</u> |
| Long-term portion of accounts receivable, students tuition | <u>27,390</u> | <u>220,050</u> |
| Property, plant, and equipment: | | |
| Land | 182,174 | 182,174 |
| Buildings | 4,324,550 | 4,231,110 |
| Equipment | 6,417,872 | 6,244,503 |
| Construction in progress | 374,210 | 239,618 |
| | <u>11,298,806</u> | <u>10,897,405</u> |
| Less accumulated depreciation | <u>(7,640,130)</u> | <u>(7,050,193)</u> |
| Net property, plant, and equipment | <u>3,658,676</u> | <u>3,847,212</u> |
| Present value of beneficial interest in outside trusts | <u>739,439</u> | <u>539,315</u> |
| Total assets | <u>\$ 32,943,014</u> | <u>\$ 29,735,844</u> |

1998

1997

LIABILITIES

Current liabilities:

| | | |
|-----------------------------------|------------------|------------------|
| Capital lease payable | \$ 219,076 | \$ 264,934 |
| Accounts payable | 342,747 | 504,099 |
| Accrued salaries and withholdings | 329,570 | 311,937 |
| Accrued vacation expense | 274,143 | 310,243 |
| Deferred tuition, students | 1,330,446 | 1,710,829 |
| Payable to third-party programs | 575,738 | 335,774 |
| Other current liabilities | 686,437 | 856,028 |
| Total current liabilities | <u>3,758,157</u> | <u>4,293,844</u> |

| | | |
|---|----------------|----------------|
| Capital lease payable | 688,982 | 837,482 |
| Gift annuity reserve | 89,306 | 75,793 |
| Long-term portion of deferred tuition, students | <u>287,955</u> | <u>635,063</u> |

| | | |
|-------------------|------------------|------------------|
| Total liabilities | <u>4,824,400</u> | <u>5,842,182</u> |
|-------------------|------------------|------------------|

NET ASSETS

Net assets:

| | | |
|------------------------|-------------------|-------------------|
| Unrestricted | 23,786,485 | 19,457,360 |
| Temporarily restricted | 1,461,913 | 1,821,906 |
| Permanently restricted | 2,870,216 | 2,614,396 |
| Total net assets | <u>28,118,614</u> | <u>23,893,662</u> |

| | | |
|----------------------------------|----------------------|----------------------|
| Total liabilities and net assets | <u>\$ 32,943,014</u> | <u>\$ 29,735,844</u> |
|----------------------------------|----------------------|----------------------|

FNS, INC. AND AFFILIATES
 COMBINED STATEMENTS OF ACTIVITIES
 Years ended April 30, 1998 and 1997

| | 1998 | 1997 |
|--|----------------------|----------------------|
| Changes in unrestricted net assets: | | |
| Revenues and gains: | | |
| Net patient service revenue | \$ 14,624,871 | \$ 15,835,128 |
| Contributions | 830,873 | 980,681 |
| Education revenues: | | |
| Tuition and educational fees | 2,131,025 | 2,557,422 |
| Federal grants | 301,056 | 375,956 |
| Other grant revenue | 29,868 | 35,045 |
| Net realized and unrealized gain on investments | 4,233,769 | 1,995,967 |
| Other revenues and gains: | | |
| Investment income | 769,886 | 712,907 |
| Other revenue | 1,357,871 | 692,425 |
| Total unrestricted revenues and gains | <u>24,279,219</u> | <u>23,185,531</u> |
| Net assets released from restriction due to satisfaction of program requirements | 418,902 | 118,917 |
| Expenses: | | |
| Salaries and wages | 9,155,477 | 9,006,560 |
| Fringe benefits | 1,676,300 | 1,691,891 |
| Medical services, supplies, and other expenses | 7,113,220 | 6,698,948 |
| Facility costs | 1,279,126 | 1,046,056 |
| Provider taxes | 347,784 | 266,829 |
| Provision for bad debts | 797,089 | 1,121,420 |
| Total expenses | <u>20,368,996</u> | <u>19,831,704</u> |
| Increase in unrestricted net assets | <u>4,329,125</u> | <u>3,472,744</u> |
| Changes in temporarily restricted net assets: | | |
| Contributions | 58,909 | 97,095 |
| Change in present value of annuities | 0 | 40,199 |
| Net assets released from restriction | (418,902) | (118,917) |
| Increase in temporarily restricted net assets | <u>(359,993)</u> | <u>18,377</u> |
| Change in permanently restricted net assets: | | |
| Contributions | 55,696 | 79,290 |
| Present value of beneficial interests in outside trusts | 200,124 | 50,315 |
| Increase in permanently restricted net assets | <u>255,820</u> | <u>129,605</u> |
| Increase in net assets | 4,224,952 | 3,620,726 |
| Net assets, beginning of year | <u>23,893,662</u> | <u>20,272,936</u> |
| Net assets, end of year | <u>\$ 28,118,614</u> | <u>\$ 23,893,662</u> |

FNS, INC. AND AFFILIATES
COMBINED STATEMENTS OF CASH FLOWS
 Years ended April 30, 1998 and 1997

| | 1998 | 1997 |
|---|---------------------|---------------------|
| Cash flows from operating activities: | | |
| Change in net assets | \$ 4,224,952 | \$ 3,620,726 |
| Adjustments to reconcile changes in net assets to net cash provided by operating activities: | | |
| Increase in value of beneficial interest in outside trusts | (200,124) | (50,315) |
| Provision for bad debts | 797,089 | 1,121,420 |
| Depreciation | 594,034 | 448,331 |
| Net unrealized gain on investments | (4,251,045) | (1,995,967) |
| Contributions restricted for programs and investments | (114,605) | (176,385) |
| (Increase) decrease in: | | |
| Patient accounts receivable | 818,085 | (823,907) |
| Accounts receivable, student tuition | 567,026 | 294,100 |
| Prepaid expenses and other current assets | 44,641 | (81,729) |
| Increase (decrease) in: | | |
| Accounts payable | (161,352) | (983,203) |
| Deferred tuition, students | (727,491) | (324,079) |
| Estimated third-party payor settlements | 239,964 | 92,604 |
| Gift annuity reserve | 13,513 | 40,200 |
| Other liabilities | (452,992) | 814,249 |
| Net cash provided by operating activities | <u>1,391,695</u> | <u>1,996,045</u> |
| Cash flows from investing activities: | | |
| Purchase of property and equipment | (401,401) | (1,311,351) |
| Proceeds from sale of equipment | 0 | 1,713 |
| Net purchase of investments | (1,431,368) | (1,143,401) |
| Net cash used in investing activities | <u>(1,832,769)</u> | <u>(2,453,039)</u> |
| Cash flows from financing activities: | | |
| Investment in long term investments | 55,696 | 79,290 |
| Investment subject to program restrictions | 58,909 | 97,095 |
| Net cash provided by financing activities | <u>114,605</u> | <u>176,385</u> |
| Net decrease in cash and cash equivalents | (326,469) | (280,609) |
| Cash and cash equivalents, beginning of year | <u>1,535,037</u> | <u>1,815,646</u> |
| Cash and cash equivalents, end of year | <u>\$ 1,208,568</u> | <u>\$ 1,535,037</u> |
| Supplemental cash flow information: | | |
| Cash payments for interest | <u>\$ 72,435</u> | <u>\$ 52,227</u> |

FNS, INC. AND AFFILIATES
NOTES TO THE COMBINED FINANCIAL STATEMENTS
April 30, 1998 and 1997

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. Intercompany transactions and accounts have been eliminated in combination.

FNS, INC. AND AFFILIATES
NOTES TO THE COMBINED FINANCIAL STATEMENTS
April 30, 1998 and 1997

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 FNS 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 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.

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, 1998 and 1997

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 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.

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, 1998 and 1997

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Temporarily restricted assets represent donations restricted by donors for additions to property 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 \$1,485,950 and \$1,356,000 in 1998 and 1997, 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>1998</u> | <u>1997</u> |
|--|----------------------|----------------------|
| Gross patient revenue | \$ 22,671,225 | \$ 22,318,791 |
| Less charity and contractual adjustments | <u>8,046,354</u> | <u>6,483,663</u> |
| Net patient revenue | <u>\$ 14,624,871</u> | <u>\$ 15,835,128</u> |

FNS, INC. AND AFFILIATES
NOTES TO THE COMBINED FINANCIAL STATEMENTS
April 30, 1998 and 1997

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes:

All entities comprising the Service are 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. The effect is included in Net Assets, beginning of the year, for 1997.

NOTE 3 - MEDICARE AND MEDICAID PROGRAMS

The Service participates in the Medicare and Medicaid Programs. During 1998, approximately 68% of the Service's net patient revenue were derived from services to patients covered by these Programs. The corresponding percentage was 70% in 1997.

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.

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 1998 statement of operations includes revenue of approximately \$1,005,000 and expenses of \$348,000 related to this program. Corresponding amounts were \$860,00 and \$266,000 in 1997.

FNS, INC. AND AFFILIATES
NOTES TO THE COMBINED FINANCIAL STATEMENTS
 April 30, 1998 and 1997

NOTE 4 - INVESTMENTS

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

| | 1998 | | 1997 | |
|----------------------------|----------------------|----------------------|----------------------|----------------------|
| | Cost | Market | Cost | Market |
| Cash management funds | \$ 1,096,143 | \$ 1,096,143 | \$ 1,720,056 | \$ 1,720,055 |
| Corporate bonds | 5,793,901 | 5,858,591 | 4,242,634 | 4,251,622 |
| Common trust fund bonds | 1,348,337 | 1,467,388 | 1,005,719 | 1,000,390 |
| Common Stock | 6,809,989 | 13,413,830 | 6,629,797 | 10,212,621 |
| Preferred Stock | 129,463 | 127,815 | 0 | 0 |
| Common trust fund equities | <u>1,257,763</u> | <u>1,796,686</u> | <u>1,406,022</u> | <u>1,623,962</u> |
| Total investments | \$ <u>16,435,596</u> | \$ <u>23,760,453</u> | \$ <u>15,004,228</u> | \$ <u>18,808,650</u> |

NOTE 5 - 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 \$125,000 in 1998 and \$165,000 in 1997 related to the retirement plan.

NOTE 6 - CONCENTRATIONS OF CREDIT RISK

The Service, at various times throughout the year, had cash on deposit in banks in excess of federally insured limits. All deposits in excess of \$100,000 are not federally insured.

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, 1998 is as follows:

| | | | |
|----------|-----|--------------------------|----|
| Medicare | 28% | Commercial insurance | 8% |
| Medicaid | 14% | Other state programs | 2% |
| Patients | 46% | Other third-party payors | 2% |

The Service's entire tuition receivable at April 30, 1998 and 1997, represents amounts due from students.

FNS, INC. AND AFFILIATES
 NOTES TO THE COMBINED FINANCIAL STATEMENTS
 April 30, 1998 and 1997

NOTE 7 - 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, 1998 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 has been made in the accompanying financial statements.

NOTE 8 - 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 1998 and 1997 for all operating leases was approximately \$543,000 and \$308,000, respectively.

NOTE 9 - CAPITAL LEASES

The Service has several pieces of Hospital equipment under capital lease. The leased property as of April 30, 1998, had a cost of \$1,289,204, accumulated amortization of \$165,647 and a net book value of \$1,123,557. Amortization of the leased property is included in depreciation expense at April 30, 1998.

The future minimum lease payments under the capital lease and the net present value of the future minimum lease payments at April 30, 1998, are as follows:

| <u>Year ending April 30,</u> | |
|---|-------------------|
| 1999 | \$ 274,959 |
| 2000 | 274,625 |
| 2001 | 258,890 |
| 2002 | 214,267 |
| 2003 | <u>122,330</u> |
| | 1,145,071 |
| Less amount representing interest | <u>(237,013)</u> |
| Present value of minimum lease payments | 908,058 |
| Less current portion | <u>(219,076)</u> |
| Long-term portion | \$ <u>688,982</u> |

Report of Operations

The following is a comparative analysis of services provided during the two fiscal years 1997 and 1998.

| | FYE 1997 | FYE 1998 |
|------------------------------|----------|----------|
| Percent of Occupancy | 33.0 | 35.0 |
| Patient Days (total) | 5,293 | 5,515 |
| Medical-Surgical Unit | 4,102 | 4,580 |
| Obstetrical Unit | 720 | 526 |
| Skilled Beds | 471 | 409 |
| Admissions (total) | 1,475 | 1,331 |
| Medical-Surgical Unit | 1,098 | 1,081 |
| Obstetrical Unit | 327 | 221 |
| Skilled Beds | 50 | 29 |
| Average Daily Census | 13.2 | 14 |
| Average Length of Stay | 3.4 | 3.9 |
| Newborn Percent of Occupancy | 8.5 | 8.3 |
| Newborn Patient Days | 309 | 303 |
| Newborn Admission | 140 | 132 |
| Newborn Average Daily Census | 1.1 | 2.3 |
| Newborn Length of Stay | 2.1 | 2.1 |
| Deliveries (total) | 140 | 132 |
| Physician | | 94 |
| Midwife | | 36 |
| Physician/Midwife | | 2 |
| Operations (total) | 743 | 504 |
| In-patient | 189 | 124 |
| Out-patient | 511 | 345 |
| C-sections | 43 | 35 |

| | FYE 1997 | FYE 1998 |
|--------------------------|----------|----------|
| Deaths (total) | 34 | 31 |
| In-patients | 22 | 21 |
| Emergency Room | 12 | 10 |
| X-rays (total) | 13,163 | 12,198 |
| In-patient | 1,676 | 1,621 |
| Out-patient | 11,487 | 10,577 |
| CT Scans (total) | 785 | 955 |
| In-patient | 178 | 180 |
| Out-patient | 607 | 775 |
| Ultrasound (total) | 1,701 | 1,496 |
| In-patient | 388 | 312 |
| Out-patient | 1,313 | 1,184 |
| Mammograms (total) | 334 | 286 |
| Lab procedures (total) | 141,818 | 140,406 |
| In-patient | 44,930 | 47,935 |
| Out-patient | 60,840 | 58,063 |
| Referred in | 36,048 | 34,408 |
| Physical Therapy (total) | 4,331 | 5,368 |
| In-patient | 1,058 | 1,238 |
| Out-patient | 3,273 | 4,130 |
| EKG procedures (total) | 3,997 | 3,921 |
| In-patient | 1,674 | 1,718 |
| Out-patient | 2,323 | 2,203 |
| EEG procedures (total) | 52 | 30 |
| In-patient | | 9 |
| Out-patient | | 21 |

| | FYE 1997 | FYE 1998 |
|--|----------|----------|
| Respiratory Therapy (total) | 47,621 | 55,395 |
| In-patient | 38,002 | 46,910 |
| Out-patient | 9,619 | 8,485 |
| Home Health visits (total) | 35,473 | 37,713 |
| Clinic visits (total) | 45,633 | 39,859 |
| Hyden | 22,545 | 20,149 |
| Emergency Room | 9,398 | 9,195 |
| Kate Ireland Women's | 4,154 | 2,205 |
| Beech Fork | 4,172 | 3,368 |
| CHC | 2,978 | 2,399 |
| Wooton | 2,386 | 2,543 |
| Social Services (total) | | 875 |
| In-patient | | 362 |
| Out-patient | | 266 |
| Home Health | | 247 |
| Courier Services: | | |
| Number of volunteers | 21 | 23 |
| Clinic hours | 461 | 310 |
| Rounds and x-ray transports | | 1,680 |
| Home Health visits | 313 | 540 |
| Kate Ireland Womens | 507 | 241 |
| Literacy/Community | 1,045 | 1,484 |
| MBHC | 684 | 640 |
| Wendover | 809 | 695 |
| CNEP classes and/or shadowing providers | 133 | 385 |
| Office hours | | 520 |
| Volunteer Hours: | | |
| Dr. Anne Wasson | 524 | 1,040 |
| Nursing volunteers | 248 | 702 |

Seventy-Third Year Totals - Selected Data

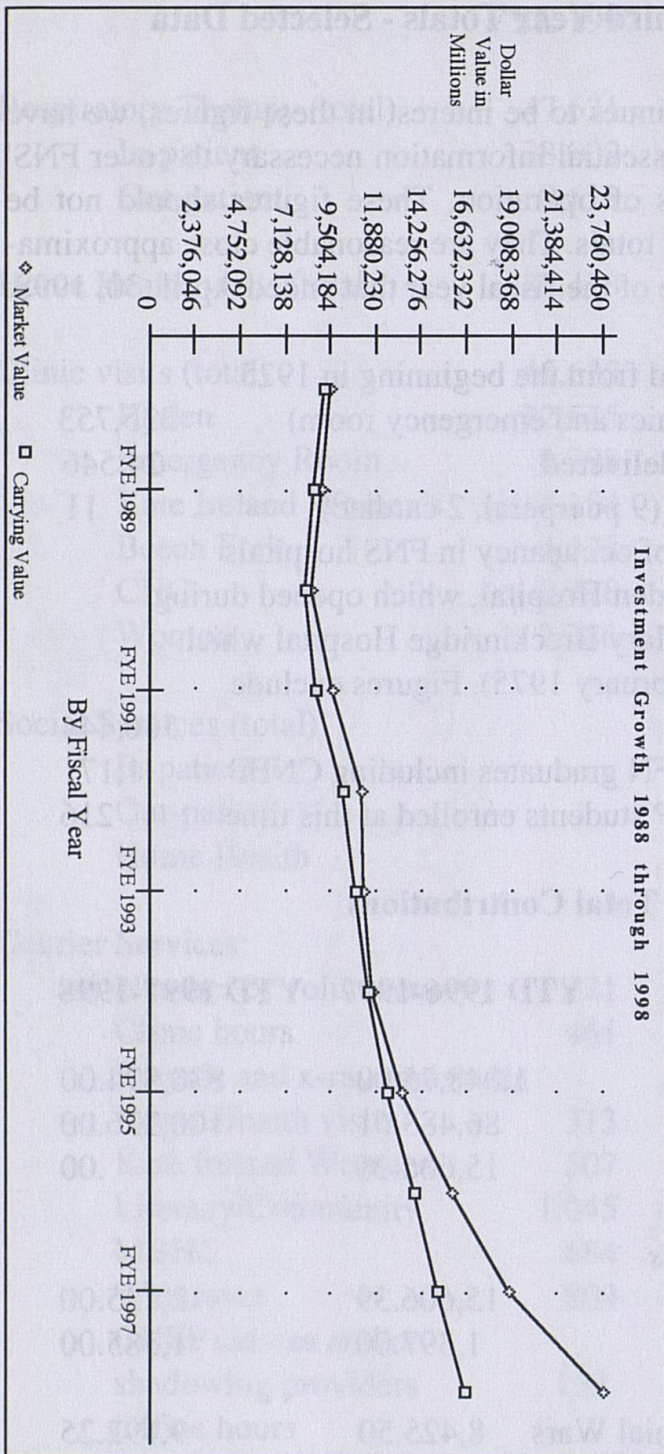
Because there continues to be interest in these figures, we have reconstructed the essential information necessary to cover FNS' seventy-three years of operation. These figures should not be understood as audit totals. They are reasonable close approximations as of the close of the fiscal year that ended April, 30, 1998.

| | |
|--|---------|
| * Patients registered from the beginning in 1925 (including all clinics and emergency room) | 335,753 |
| * Maternity cases delivered | 24,546 |
| * Maternity deaths (9 puerperal, 2 cardiac) | 11 |
| * 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 | 566,444 |
| * Number of FSMFN graduates including CNEP | 1,171 |
| * Number of CNEP students enrolled at this time | 216 |

Total Contributions

| | YTD 1996-1997 | YTD 1997-1998 |
|--------------------------------|---------------|---------------|
| Non-restricted | 1,048,75.00 | 830,574.00 |
| Restricted | 86,483.61 | 100,236.00 |
| Derby benefits | 15,606.39 | .00 |
| <i>Committee Benefits</i> | | |
| Boston | 15,606.39 | 2,735.00 |
| Bluegrass | 1,397.00 | 1,385.00 |
| Daughters of Colonial Wars | 8,425.50 | 9,192.25 |

| | FYE 1988 | FYE 1989 | FYE 1990 | FYE 1991 | FYE 1992 | FYE 1993 | FYE 1994 | FYE 1995 | FYE 1996 | FYE 1997 | FYE 1998 |
|---|-----------|-----------|-----------|-----------|------------|------------|------------|------------|------------|------------|------------|
| Market Value | 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 | 23,760,453 |
| Carrying Value | 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 | 16,435,596 |
| Market Value Changes | | -494,558 | -471,142 | 1,068,810 | 1,521,716 | 151,653 | 362,555 | 1,577,917 | 2,698,322 | 2,930,437 | 4,951,803 |
| Carrying Value Changes | | -552,154 | -429,685 | 583,306 | 1,424,979 | 587,405 | 687,992 | 981,197 | 1,435,415 | 1,152,207 | 1,431,369 |
| All figures are audited | | | | | | | | | | | |
| Investment Growth 1988 through 1998 | | | | | | | | | | | |
| Total Growth Market Value = 14,297,513 | | | | | | | | | | | |
| Total Growth Carrying Value = 7,302,031 | | | | | | | | | | | |



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.

Hal H. Newell, Washington, DC died during June 1998 at the age of 80. Mr. Newell was a lawyer with Eaton Corporation, a diversified transportation and electronics manufacturing company in Washington, DC. His wife, Ruth, and daughter, Molly Singerling, have been supporters of the FNS for many years.

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.

Betsy Gawthrop

Robert S. Gawthrop, Jr.

Marvin Allen

Marge Smith

Leonard W. Bonney

James A. Macdonald FDN.

Laura Perkins Braithwaite

David and Roberta Watts

Martha Hemming

George Gardner

Mary Westmaerger

Irene C. Riegert

Anna Margoli

Winifred L. Hawxhurst

Harriet Hallie Hardin

Marion Rench

Virginia Wood Hartless

William and Jane Nine

Edward Roberts

Alice Kennelly Roberts

Amy Kuitert

Dr. John H. Kuitert

Robert Mathewson

Virginia Eakin

Hal H. Newell

Miss Kate Ireland

Marvin Patterson

James B. Haggin

Margaret V. Haggin Trust

Bill Cornett

Mr. and Mrs. Harry Couch

Hilda Sobral Barnes

Mary Ann Sanders

Deborah Turner Caldwell

Mr & Mrs. Harry Couch

Keith Ray Couch

Mr & Mrs. Harry Couch

Arthur Ordway

Dr. Anne Wasson

Louise Clough

Dr. Anne Wasson

Makesha Collins

Dr. Anne Wasson

Roberta Wilde

Helen Mahsling

Mr & Mrs. William Jaques

June A. Robbins

Paul Kinloch Holmes

Col. James T. & Julia

Breckinridge

IN HONOR OF

Norman Weiner

Bettie and Sid Spector

Mary Neel

Susan Graham

David and Mary Karrick

Miss Anne Cundle

Deborah M. Cook

Ted W. Cook

Miss Kate Ireland

Deborah M. Cook

Ted W. Cook

FNS and Subsidiary Corporations

Deanna Severance, CEO of FNS, Inc. and President of Frontier Nursing Service Foundation; Frontier School of Midwifery and Family Nursing; Mary Breckinridge Healthcare, Inc.; and Frontier Nursing Service Real Estate.

FNS, Inc:

A. Ray Branaman - *Chief Operating Officer*
Barb Gibson - *Assistant to CEO*
Mae Irvin - *Development Secretary*
Beulah Couch - *Human Resources Manager*
Jeremy Bush - *Development Office Aide*

Frontier School of Midwifery and Family Nursing:

Susan Stone - *CNEP Program Director*

Mary Breckinridge Healthcare, Inc:

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

Mary Breckinridge Healthcare, Inc. Clinics:

Cyndy Perkins, CNM - *Kate Ireland Women's Center*
Deborah Karsnitz, CNM - *Kate Ireland Women's Center*
Beverly Mays, FNP - *Beech Fork Clinic*
Heidi Froemke, FNP, CNM - *Wooton Clinic*
Lenora Campbell, FNP - *Community Health Center*
Roy Varghese, Internist - *Chief of Staff - Hyden Clinic*
Omar Youssef, Internist - *Hyden Clinic*
Anwar Abdeen, Internist - *Hyden Clinic*
Hassan Helwani - Internist - *Hyden Clinic*
Varkey Chacko, Surgeon - *Hyden Clinic*
Anavatti Raghuvveera, Pediatrician - *Hyden Clinic*
Stephan Trent, DO - *Kate Ireland Women's Center*
Albino Nunez, Emergency Medicine - *Emergency Room*

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 606-672-2317).

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 FNS, Inc., 132 FNS Drive, Wendover, KY 41775.

Beech Fork Clinic:

New Counter Top for Lab and Office 400

Emergency Room:

Addressograph Machine 600

Fax Machine 200

Blanket Warmer 2,000

Hyden Clinic:

Addressograph Machine 600

Stretcher 2,000

Kate Ireland Women's Center:

Two Fetal Heart Dopplers (hand held) 500

Addressograph Machine (new) 600

Fetal Monitors (four) new 1,200

Lab:

Anti-Fatigue Mats 350

Medical Surgical:

Two Medicine Carts 650

Bedside Scales (new) 2,000

Geriatric Chair (new) 800

Fax Machine (new) 300

Obstetrics:

Digital Infant Scales for Nursery 2,000

Maple Rocker (for laboring Mothers) 350

Addressograph Machine 600

Mini Skytron Spot Light (Delivery Room) 400

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