

FNS

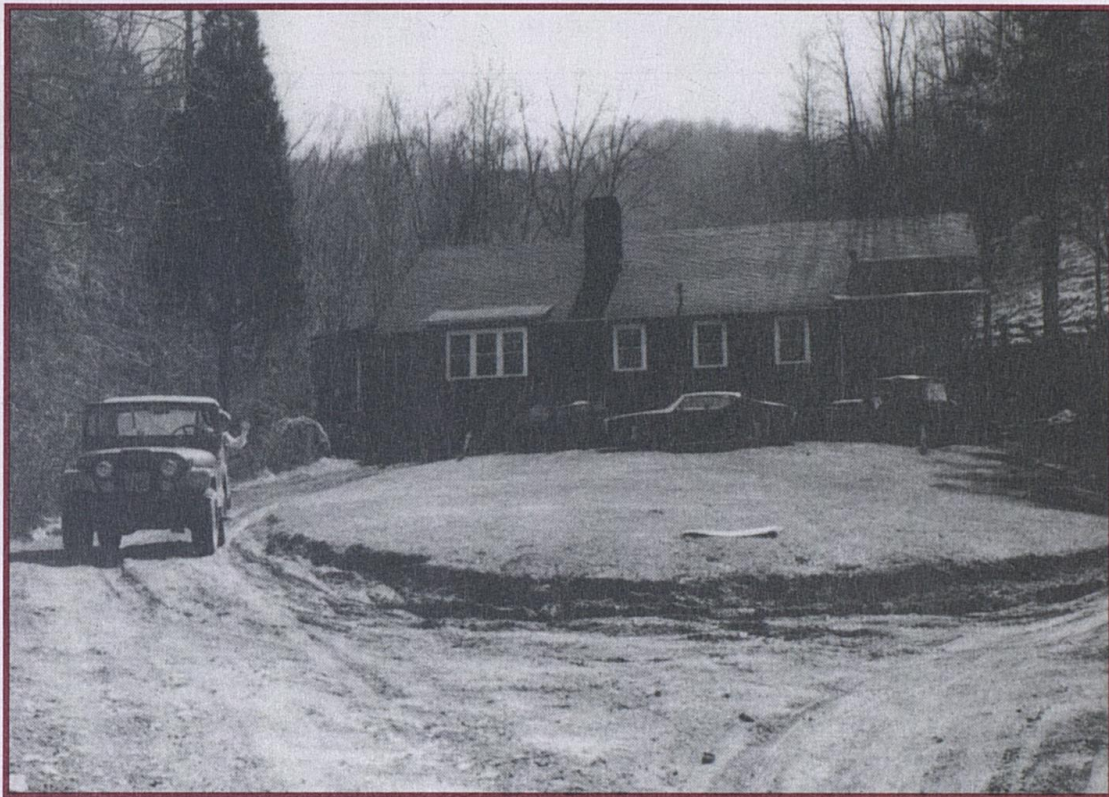
FRONTIER NURSING SERVICE

Volume 75 Number 1 Summer/September 1999

SEVENTY-FOURTH ANNUAL REPORT



Celebrating 74 Years of Service



US ISSN 0016-2116

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Cover: Flat Creek Clinic - March 1977 (photo by Gabrielle Beasley).

Frontier Nursing Service Quarterly Bulletin

Published at the end of each quarter by the Frontier Nursing Service,
Wendover, Kentucky 41775

Subscription Price \$5.00 a year for Donors

Subscription Price \$15.00 a year for Institutions

VOLUME 75

NUMBER 1

Summer/September 1999

Periodicals postage paid at Wendover, Kentucky 41775 and at additional mailing offices. POSTMASTER: Send address changes to FNS, Inc. 132 FNS Drive, Wendover, Kentucky. Copyright FNS/Inc. 1999 All Rights Reserved.

Mary Breckinridge Healthcare News

by Mallie Noble, Administrator

On March 31 I was appointed Administrator of Mary Breckinridge Healthcare, Inc. (MBHC) by Mrs. Deanna Severance, CEO. I accepted this appointment with pride. I realize the responsibility and importance of this position and cherish the opportunity to serve this organization, the employees and the patients in the community.



I am grateful indeed for the high measure of understanding and support which has been given to me by Mrs. Deanna Severance, members of the FNS Board of Governors, professional staff members and the employees of MBHC.

We have had several changes in job duties at MBHC over the past three months. These included: Nancy Couch, RN, Manager of Medical/Surgical, being promoted to Interim Director of Nursing; Denise Kilburn, RN, ER Manager as Interim Assistant Director of Nursing and has also taken on the added responsibility of managing the Hyden Rural Health Clinic; Heidi Froemke, FNP, is working in the Hyden Extended Hours Clinic which is doing very well. Heidi has also been promoted to District Clinic Coordinator and Mary Lee Osborne, RN, OB Manager, has taken on the added responsibility of managing the Kate Ireland Womens Clinic.

We are continuously working toward improving the appearance of the facility and have recently re-upholstered the Medical/Surgical and OB Units patient room chairs - thanks to the generosity of the Ladies Auxiliary. The new computer system for billing is expected to be up and running by September 1, 1999.

During July, a "lump and bump" clinic was held at the Hyden Rural Health Clinic with our general surgeon Dr. Diaz performing the surgeries. The clinic was very successful and we plan to continue having this clinic in the future.

The Fourth Annual Health Fair sponsored by MBHC Quality Improvement Department was held on August 9 with 31 healthcare/informational booths represented and an estimated 250 community members attending. The Central Kentucky Blood Bank conducted a Blood Drive in conjunction with the Health Fair and obtained 17 units.

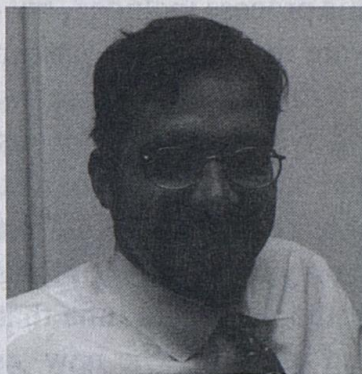


Jackie Fugate, RN and Jennifer Johnson, Rotating Tech at Home Health - participating in the Fourth Annual Health Fair

Frontier Nursing Service takes on the Y2k Bug

by Brian Lane, Controller

The Frontier Nursing Service (FNS) and its family of not-for-profit companies have not been able to escape the effects of the Y2k bug. In fact, the Y2k issue is more of a struggle for not-for-profit companies, because of the drastic financial burden that comes with the year 2000 compliance issues. The FNS family has been diligently planning for January 1, 2000 for about two years. FNS has had to spend several thousand dollars as well as several thousand personnel hours to upgrade not only their computer hardware and software, but also all equipment that is date sensitive.



FNS has or is in the process of replacing all computer and software systems. A very small percentage of FNS's computer and software systems were Y2k compliant. Therefore, FNS has had to purchase Y2k compliant computers for use at Mary Breckinridge Healthcare (MBHC), the Frontier School of Midwifery and Family Nursing (FSMFN), and the Frontier Nursing Service. This is where the financial burden begins, but certainly does not end. FNS and FSMFN have already spent close to \$17,000 on new Y2k compliant networks and in addition to the network hardware, they have spent another \$36,000 just on personal computers (PC's). MBHC is in the process of converting to a Y2k compliant network which is going to cost in the neighborhood of \$80,000 just for all the hardware. FSMFN also had to upgrade the hardware and software for the Banyan Tree which cost FSMFN about \$2,000 and then had to spend another \$6,000 on a new telephone system that is Y2k compliant. Another financial impact from upgrading for the Y2k bug is the fact that FNS is not able to resell any of the equipment that is being replaced.

Now that the Frontier Nursing Service family has already spent approximately \$141,000 just to upgrade the hardware components, they still have to be concerned with all of the software

which is just as critical as upgrading the hardware. FNS, MBHC, and FSMFN started two years ago identifying software that would not be Y2k compliant. Some of the software that was identified in this process included, but was not limited to, the accounting software that FNS, the parent company, uses for all five companies; the student database software at FSMFN; and the patient accounting system that MBHC uses. The total cost to purchase software that is Y2k compliant just for these three software packages will or has cost FNS's Real Estate, Inc. approximately \$250,000. This is only for the cost of the software; that price does not include all of the personnel time that has been or will be spent on learning and installing the new system, or the cost of training which is about \$15,000. That brings the total estimated cost for planned or completed conversions to \$406,000.

The hidden financial effect of the Y2k bug may be the items that will no longer function as of January 1, 2000, but that FNS at the current time cannot afford to replace. One such item that falls into this category is one of MBHC's ultrasounds. Currently, MBHC has two ultrasounds that they use for two different ultrasound functions. One is Y2k compliant and will properly function after January 1, 2000. The second, however, will no longer be of use as of January 1, 2000. To replace the non-compliant one would cost in the neighborhood of \$175,000. Since we do have a second ultrasound, we did not make it a priority, considering the other systems we had no choice but to upgrade or replace.

FNS is ready for January 1, 2000, but not without the financial burden that accompanies the Y2k bug that has infected the technology world. A problem that seems to go unnoticed when discussing the Y2k issue, especially with not-for-profits, is that by having to spend close to half a million dollars on Y2k compliant equipment, hardware, and software, other capital purchases that are needed have to be put on hold in order to accommodate the Y2k purchases. Even with the financial hardship that has accompanied the coming of the year 2000, the family of the Frontier Nursing Service is well prepared to move forward into the 21st century.

Wendover News

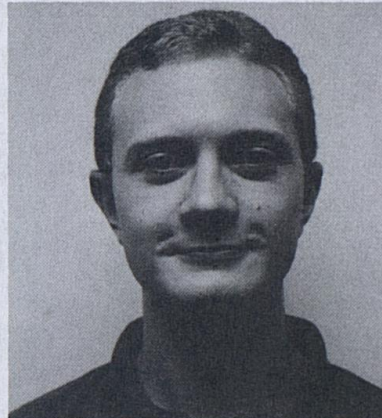
by Jeremy T. Bush

*“Where are the songs of Spring? Ay, where are they?
Think not of them, thou hast thy music too, - - -
While barred clouds bloom the soft-dying day,
And touch the stubble-plains with rosy hue;
Then in a wailful choir the small gnats mourn
Among the river swallows, borne aloft”.*

-John Keats, “To Autumn”

Wendover Weather

We are in great anticipation of autumn here at Wendover. We have had eighteen consecutive days of 90+ degree heat with very little rain. According to existing weather records this is the longest string of 90+ degree weather since 1936. Many counties in the region were forced to issue water alerts and rationing. Some of our local citizens' wells dried “plumb up”! Cooler temperatures and low humidity will be a welcome sight here in the hazy Appalachians.



Allied Health Tech Prep Visit

The Frontier Nursing Service was pleased to have the Allied Health Tech Prep students from the Medina Memorial Hospital in Medina, New York, visit us the week of August 2. The students came to be exposed to rural healthcare in action. They shadowed home health nurses and clinic staff at the Beech Fork and Community Health Centers. They had a wonderful dinner at Wendover on August 4 complimented by one of my tours and a complete history of FNS. The students also had the rare opportunity to experience Appalachian culture at Appalshop, the Pine

Mountain Settlement School and with George and Sherman Wooton. They left us with a fresh new look at rural healthcare and Appalachian culture.



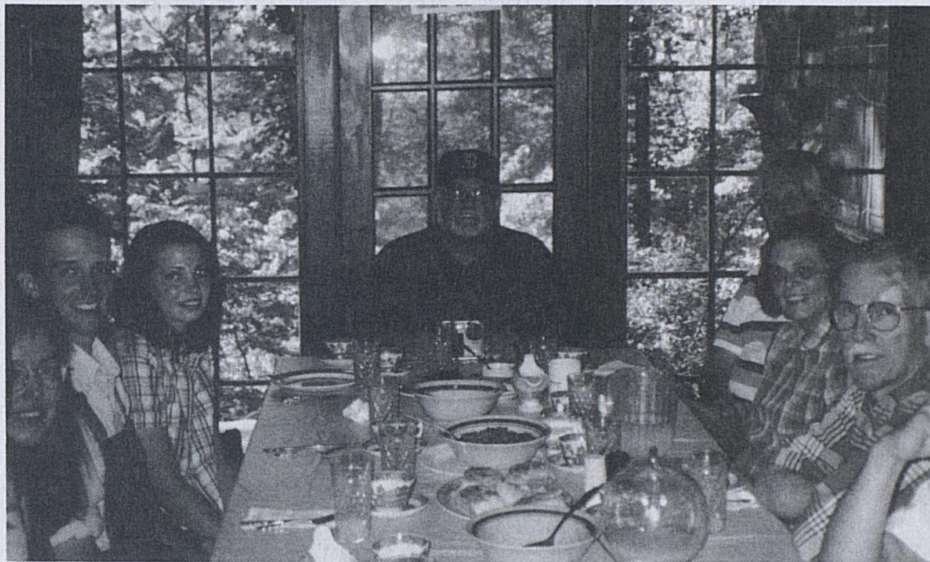
Back row, left to right: Lisa MacEvoy, Alisha A. Hodgins, Erin Stahl, Sarah Tucker, Eva Leopardi, John Huber. Front Row, left to right: Theresa Sands, Jacqueline Parks, Sarah Jordan, Ryan Quinn

Walt & Elaine Morrison Visit

We were pleased to have Walt and Elaine Morrison from West Salem, Ohio, visit us for lunch on July 7. Mr. and Mrs. Morrison were passing through the area and wanted to see the beautiful sights of Wendover. They had a delightful lunch and walked around in awe of Wendover's glorious blanket of flowers and greenery. They left us with warm smiles and happy hearts.

The Osborne Brothers at Wendover

The famous Osborne Brothers stayed at Wendover again this year during their annual Homecoming Festival at the Richard M. Nixon Center in Hyden, Kentucky, on August 6 and 7. The Osborne Brothers chose Wendover for their accommodations because of its quiet seclusion and serene setting. Unlike motels and hotels, the Big House at Wendover is a traditional bed and breakfast. Guests, like the Osborne Brothers, can stay in a hassle-free environment far from the maddening crowd. We also offer some of the best home cooked food right from our own kitchen. The Osborne Brothers and their band can testify to the savory meal that they ate early on Saturday, August 7.



Sonny Osborne (end of table) and friends at the Big House

FNS 75th Year Celebration - May 20, 2000

Mark your calendars for *May 20, 2000*. Plan to join us in Lexington, Kentucky for our 75th year celebration! For information regarding accommodations, etc., call Barb Gibson at 606-672-2317. More details in the next *Quarterly Bulletin*.

Former FSMFN Graduate Visits

During the spring we were honored to have Beulah (Olson) Forness, 1955 graduate of the Frontier School of Midwifery and Family Nursing, visit Wendover. Mrs. Forness's daughter, son-in-law and granddaughter accompanied her. During Mrs. Forness's reminiscing, her granddaughter and she put on FNS uniforms and had this beautiful picture taken. Ms. Forness wrote the following note regarding their stay:

"A big thank you for such a nice stay in the Big House. What a thrill I had to have my granddaughter and I sleep in Mrs. Breckinridge's room!"



Beulah Forness and Granddaughter

In the last *Quarterly Bulletin*, I wrote about my visit with the Daughters of the American Revolution (DAR) at Bluegrass Committee member Mary Ann Carrico-Mitchell's house. For me it was such an honor to be asked by the DAR to speak about the Frontier Nursing Service.

I received the following poem written in my honor by Mary Ann Carrico -Mitchell!!

A Storyteller Came

Yesterday, a boy came to talk to us.
He came to tell us a story.
His tie paraded Disney, with Cinderella, and
Tweetie Bird.
It could have been of his Alice of Wonderland
that he spoke. . .
Or of his grandmother . . . his sweetheart?

His passion told us his story - not the date
and events.
He loved her for all she had given him.
Though dead for many years now, he sought
to restore her very dwellings;
To show to others the paths she walked, the
flowers she planted.

She was Mary Breckinridge, adopted daughter
of Kentucky.
And he, the storyteller, a minion and product
of her spirit's largesse . . .

The pride of the Frontier Nursing Service.

*Dedicated to Jeremy Bush June 3, 1999 by Mary Ann Carrico-
Mitchell*

Courier Program News

by *Jeremy T. Bush*

We are preparing to say a good-bye to our summer Couriers. Here are some anecdotal notes that reveal much about them and the work they have done for FNS over the summer.

While visiting Dr. Diaz (MBHC Surgeon), I found that *Erin Lyons* is quite famous among the nurses. Apparently, she has earned the nickname of "Band-Aid Girl" for her willingness to quickly locate and return supplies to the nurses in surgery. This dedication to service, even in the unglamorous "dirty work" at FNS, is the pure essence of what being a Courier is all about. We are all proud of Erin and the hard work she has done here.

Garry Finke has worked with Dr. Raghuverra (MBHC Pediatrician) much of the summer. Garry wants to become a Pediatrician himself in the near future. From what we have seen of Garry with his peaceful fortitude and gentle nature, we know that he will certainly be a great asset to any healthcare organization.

Carrie Szejik has been accepted into Case Western Reserve University's nurse-midwifery program! Carrie has thoroughly enjoyed working with our full-time midwives, Cyndy Perkins and Debbie Karsnitz. Carrie also loved being involved with Level III classes at the Hyden campus of the Frontier School of Midwifery and Family Nursing. We wish her well and many happy "catches"!

Rachel Maski, who aspires to be a doctor, has also been working with our midwives. Rachel was involved with the Level III classes in Hyden and has been willing to do anything at any time for FNS. She has been a dependable member of the summer group who never fails to have a sunny disposition.

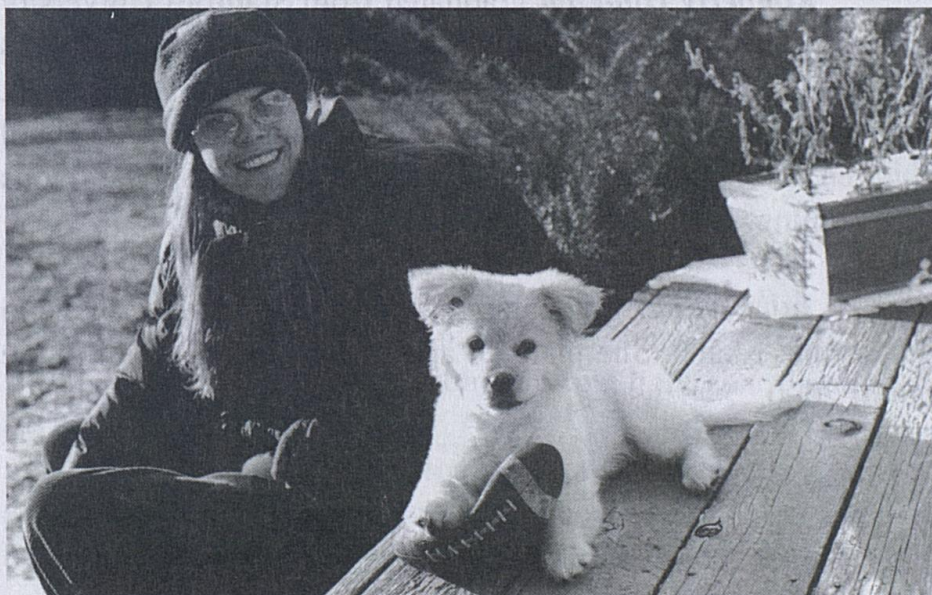
All of these Couriers were involved in a locally sponsored "Footsteps to the Future" summer camp. This camp allowed young people in the county, ages 11-14, to experience a fun learning experience before going back to school. The young people were involved in activities such as tie-dying, constructing dream catchers and playing soccer. The camp was quite an experience for all involved.

Former Courier News

Danielle Olds ('98) - wrote from beautiful Mexico. She said that Guadalajara is a busy and culturally rich city. She will be starting nursing school at Case Western Reserve University September 1, 1999.

Catherine (Cat) Thompson ('98) - wrote to say that she had a great visit at Wendover over Memorial Day weekend. She said that Kentucky will always hold a special place in her heart.

Beth Muzzy ('97) - is a psychology major in Women's Studies at the University of Vermont and plans to become a direct-entry midwife or work in clinical psychology. Below is Beth and her "love".



Tarah Somers ('96) - just finished her BSN at Johns Hopkins School of Nursing. She has already started the master's Nursing and Public Health programs at Hopkins and will finish the dual masters in December 2000. Tarah worked in Nepal with "Save the Children" for six months before beginning nursing school.

Ann DeBourcy ('98) wrote to say that after extensive decision making she has decided to pursue a career in medicine, most likely pediatrics. Ann wrote that she remembers coming home from MBHC and enthusiastically describing to Barb the details of all of the surgeries she had observed that morning.

Ann is working in a hospital this summer and will apply to medical school after graduation in 2001.

Preview of Fall 1999 Couriers

Norna Ludeman is a Senior Human Biology major at Stanford University in Stanford, California. She plans to spend a few years volunteering in order to get a first-hand look at health-care before pursuing an MD or an MPH.

Kimberly Houkom graduated from Stanford University in 1997 with a major in English with pre-med courses. She is thinking about applying to medical school. Kimberly has spent some time teaching science in outdoor settings to grade school children. She has also been leading backpacking trips in the Tetons of Wyoming.

Julie Wilbur graduated this year from Colby College in Waterville, Maine. She plans to apply to medical school in the fall of 2000.

**Frontier School of Midwifery and Family Nursing
(FSMFN) CNEP News**

by Susan Stone, CNEP Program Director

CNEP continues to be an exciting and busy program. This past spring we celebrated a Decade of Excellence at the Convention of the American College of Nurse-Midwives. We are very proud to have educated over 760 nurse-midwives in the past decade using the Community as the Classroom concept. Our graduates now represent every state in the USA.



We are currently working diligently to place our courses on our Web Site. This has been a challenging task but our multimedia group is up to the challenge. The group consists of Heather East, Mary Ann Mullins, Cherie Bunch, and Shelley Gottbrath. To see samples of their creative work, visit our Web Sites at www.midwives.org and the www.frontierfnp.org. We believe that the on-line delivery of courses will be more convenient for students, provide a more interactive learning environment, and allow links to relevant material on the World Wide Web.

This is an exciting time for the FSMFN as we reintroduce the Family Nurse Practitioner program. We have worked very hard to incorporate the new FNP program into every part of our school literature such as the student handbook, the faculty handbook, and the new school catalog. We are working with the FNP faculty to develop core courses that will be taken by both the midwife and FNP students. This interdisciplinary approach promises to make both programs stronger through the sharing that will occur.

We are busily preparing now for a very inspiring time of year in Hyden. This is our annual graduation ceremony that will be held on October 16, 1999 at the Richard Nixon Center in Hyden.

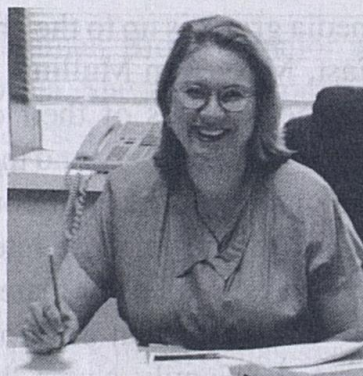
There is nothing more rewarding than seeing our students graduate as nurse-midwives. This is the time of year when the entire faculty gathers in Hyden for our annual faculty meeting and to celebrate the success of our students. With the leaves in full color on the mountains, it is almost a magical time.

As we head forward to a new millennium, I like to think that Mrs. Breckinridge would be proud of the progress that we are making towards bringing high quality health care to the underserved in every part of our nation.

Frontier School of Midwifery and Family Nursing (FSMFN) CFNP News

by Dr. Julie Marfell, Assistant CFNP Program Director

The CFNP Program received official notification in June from Dorothy Brooten, PhD, FAAN, Dean of Nursing at the Frances Payne Bolton School of Nursing at Case Western Reserve University (CWRU) that the extension of the affiliation with the Frontier School of Midwifery and Family Nursing (FSMFN) was approved by the Board of Trustees. This affiliation provides accreditation by the National League of Nursing and the North Central Association of Colleges and School Commission on Institutions of Higher Learning. The students who successfully complete the Community-Based Family Nurse-Practitioner Program will be awarded a Masters of Science in Nursing Degree from CWRU.

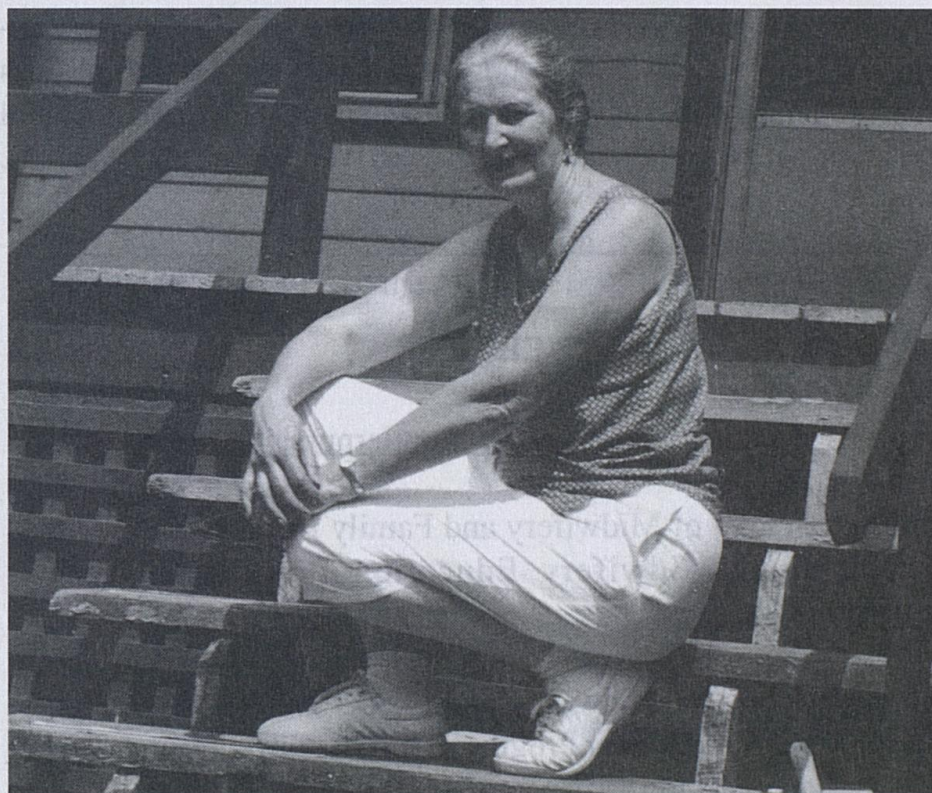


In July, we received notification from the Kentucky Council on Postsecondary Education the FSMFN license to operate as a non-public institution in Kentucky was amended to include the Certificate in Family Practice Nursing, Post-RN program. It continues to be an exciting time for the CFNP at FSMFN.

The first class of the CFNP begins September 29, with CFNP Bound at the Hyden campus. In the tradition of CNEP, this orientation period introduces the students to the program, Level I courses, each other, and the faculty. It is an opportunity to build a community among the students of each class.

Part of the tradition of this orientation period is to bring out the rich heritage of FNS and FSMFN. As part of this tradition, we have invited Jean Fee, a 1959 graduate of the FSMFN midwifery program and a certified FNP to join us for dinner at Wendover on September 29.

Jean came to FNS in 1958 from Alberta, Canada, to work on the "general side" of the old hospital. In 1959, Jean graduated as a midwife and began district nursing at the Wolf Creek Clinic and then at Beech Fork. Jean returned to Alberta in 1960 and continued working in public health and various hospitals. She married and had two daughters.



Jean Fee at the Beech Fork Clinic during June 1998

In 1973, Jean returned to McKee, Kentucky. She worked in a physician's office and then at Manchester Memorial Hospital. In 1980 she became certified as a FNP and in 1986 she joined the White House Clinic, a rural family practice clinic in McKee where she continues to work today. Jean was honored this year as Kentucky Nurse-Practitioner of the year, an award of the American Academy of Nurse-Practitioners administered locally through the Kentucky Coalition of Advance Practice Nurses. We are thrilled that Jean has graciously accepted our invitation to dinner and to speak with our students about her experiences.

We are also grateful to Dr. Anne Wasson for organizing a scholarship for FNP students in her name. Dr. Anne is an original founder of the first FNP program at FSMFN, has served as an interim director of FNS and spent more than 13 years providing medical services at FNS. She has continued to lend support to FNS as medical director emeritus and as an FNS board member. Dr. Anne recently said in the article done about FNS in the Lexington-Herald Leader that one of the best parts of the job was teaching nurses. We have invited her to share her experiences and wisdom with the class during dinner at Wendover September 29.

WEBSITES

Frontier Nursing Service - www.frontiernursing.org

Frontier School of Midwifery and Family Nursing Community-based Nurse-Midwifery Education Program (CNEP) - www.midwives.org

Frontier School of Midwifery and Family Nursing Community-based Nurse-Practitioner Program (CFNP) - www.frontierfnp.org

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

**For the Fiscal Year
May 1, 1998 to April 30, 1999**

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, 1999.

Unrestricted	28,522,875	28,387,413
Temporarily restricted	1,453,453	1,451,513
Permanently restricted	4,236,365	3,873,218
Total assets	<u>34,212,693</u>	<u>33,712,144</u>
	\$ 34,212,693	\$ 33,712,144

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, 1999 and 1998, 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, 1999 and 1998, and the 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
August 25, 1999

FNS, INC. AND AFFILIATES
 COMBINED STATEMENTS OF FINANCIAL POSITION
 April 30, 1999 and 1998

	1999	1998
<u>ASSETS</u>		
Cash and cash equivalents	\$ 1,433,198	\$ 1,248,213
Accounts receivable, less allowances for uncollectible accounts of \$479,000 in 1999 and \$893,000 in 1998	2,804,227	2,010,785
Accounts receivable-students tuition, less allowance for uncollectible accounts of \$31,000 in 1999 and \$44,000 in 1998	209,933	92,321
Investments	26,564,169	23,760,453
Inventories	413,533	370,527
Prepaid expenses and other assets	88,252	121,996
Property and equipment, net	3,296,973	3,604,130
Present value of beneficial interest in outside trusts	<u>1,927,326</u>	<u>739,439</u>
Total assets	<u>\$ 36,737,611</u>	<u>\$ 31,947,864</u>
<u>LIABILITIES AND NET ASSETS</u>		
Accounts payable	\$ 1,517,125	\$ 342,746
Accrued salaries and withholdings	341,982	329,570
Accrued vacation expense	372,806	274,142
Deferred tuition, students	243,675	222,242
Self-insured reserve	435,300	161,448
Payable to third-party programs	755,141	575,738
Capital lease payable	351,519	478,386
Bond payable	513,210	602,384
Other liabilities	655,572	727,436
Total liabilities	<u>5,186,330</u>	<u>3,714,092</u>
Commitments and contingencies		
Unrestricted	26,592,815	23,901,643
Temporarily restricted	724,403	1,461,913
Permanently restricted	4,234,063	2,870,216
Total net assets	<u>31,551,281</u>	<u>28,233,772</u>
Total liabilities and net assets	<u>\$ 36,737,611</u>	<u>\$ 31,947,864</u>

See accompanying notes.

FNS, INC. AND AFFILIATES
COMBINED STATEMENTS OF ACTIVITIES
 Years ended April 30, 1999 and 1998

	1999	1998
Changes in unrestricted net assets:		
Revenues and gains:		
Net patient service revenue	\$ 13,885,188	\$ 14,624,871
Contributions	914,790	830,873
Education revenues:		
Tuition and educational fees	1,546,645	2,131,025
Federal grants	210,145	301,056
Other grant revenue	43,143	29,868
Net realized and unrealized gain on investments	3,268,576	4,233,769
Other revenue:		
Investment income	801,270	802,475
Other revenue	332,656	636,835
Net assets released from restriction due to satisfaction of program requirements	783,700	418,902
Total unrestricted revenue	<u>21,786,113</u>	<u>24,009,674</u>
Expenses:		
Salaries and wages	8,807,834	9,055,788
Fringe benefits	1,602,775	1,676,300
Medical services, supplies, and other expenses	6,039,829	6,697,000
Facility costs	1,430,824	1,376,558
Provider taxes	438,541	347,784
Provision for bad debts	775,138	797,089
Total expenses	<u>19,094,941</u>	<u>19,950,519</u>
Increase in unrestricted net assets	<u>2,691,172</u>	<u>4,059,155</u>
Changes in temporarily restricted net assets:		
Contributions	46,190	58,909
Net assets released from restriction	<u>(783,700)</u>	<u>(418,902)</u>
Decrease in temporarily restricted net assets	<u>(737,510)</u>	<u>(359,993)</u>
Change in permanently restricted net assets:		
Contributions	175,960	55,696
Present value of beneficial interests in outside trusts	1,187,887	200,124
Increase in permanently restricted net assets	<u>1,363,847</u>	<u>255,820</u>
Increase in net assets	<u>3,317,509</u>	<u>3,954,982</u>
Net assets, beginning of year, as previously reported	28,233,772	23,893,662
Prior period adjustment	0	385,128
Net assets, beginning of year, restated	<u>28,233,772</u>	<u>24,278,790</u>
Net assets, end of year	<u>\$ 31,551,281</u>	<u>\$ 28,233,772</u>

See accompanying notes.

FNS, INC. AND AFFILIATES
COMBINED STATEMENTS OF CASH FLOWS
 Years ended April 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Cash flows from operating activities:		
Change in net assets	\$ 3,317,509	\$ 3,954,982
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Present value of beneficial interest in outside trusts	(1,187,887)	(200,124)
Provision for bad debts	775,138	797,089
Depreciation	584,614	594,034
Net unrealized gain on investments	(1,376,548)	(3,507,871)
Contributions restricted for programs and investments	(175,960)	(55,696)
(Increase) decrease in:		
Patient accounts receivable	(1,568,580)	20,996
Accounts receivable, student tuition	(117,612)	567,026
Inventories	(43,006)	81,290
Prepaid expenses and other current assets	33,744	(36,651)
Increase (decrease) in:		
Accounts payable	1,174,379	(161,352)
Deferred tuition, students	21,433	(727,491)
Self-insurance reserve	273,852	82,358
Estimated third-party payor settlements	179,403	239,964
Other liabilities	39,212	(174,544)
Net cash provided by operating activities	<u>1,929,691</u>	<u>1,474,010</u>
Cash flows from investing activities:		
Purchase of property and equipment	(277,457)	(350,952)
Net purchase of investments	<u>(1,427,168)</u>	<u>(1,443,932)</u>
Net cash used in investing activities	<u>(1,704,625)</u>	<u>(1,794,884)</u>
Cash flows from financing activities:		
Payments on capital leases	(126,867)	(291,260)
Repayments on bond payable	(89,174)	(77,597)
Investment subject to program restrictions	175,960	55,696
Net cash provided by financing activities	<u>(40,081)</u>	<u>(313,161)</u>
Net decrease in cash and cash equivalents	184,985	(634,035)
Cash and cash equivalents, beginning of year	<u>1,248,213</u>	<u>1,882,248</u>
Cash and cash equivalents, end of year	<u>\$ 1,433,198</u>	<u>\$ 1,248,213</u>
Supplemental cash flow information:		
Cash payments for interest	<u>\$ 55,952</u>	<u>\$ 72,435</u>

See accompanying notes.

FNS, INC. AND AFFILIATES
NOTES TO THE COMBINED FINANCIAL STATEMENTS
April 30, 1999 and 1998

NOTE 1 - 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 generally accepted accounting principles 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.

Basis of Presentation:

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

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.

FNS, INC. AND AFFILIATES
NOTES TO THE COMBINED FINANCIAL STATEMENTS
April 30, 1999 and 1998

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates:

The preparation of consolidated 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 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.

Escrow Cash:

Cash of \$17,132 and \$39,646 at April 30, 1999 and 1998, respectively, has been escrowed from a bond issue for the purchase of fixed assets.

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.

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.

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.

Inventories:

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

FNS, INC. AND AFFILIATES
NOTES TO THE COMBINED FINANCIAL STATEMENTS
April 30, 1999 and 1998

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Prepaid Expenses:

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

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. Currently, the Service is the beneficiary of six such trusts: The Leonard H. Schoff Charitable Trust; The Margaret M. Paterson Trust; The Grace B. Stebbins Trust; The Sunshine H. Ballard Trust; The Gage Trust; and The TW Frances K Ross Trust.

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 584,614 and 594,034 for the years ended April 30, 1999 and 1998, 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 and Changes in Net Assets:

The statements of activities and changes in net assets include deficit of revenues under expenses. Changes in unrestricted net assets which are excluded from deficit of revenues under 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.

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

Income from the Education, David D. Knox, and Mary Breckinridge Chair Funds is retained with the funds until expended for the designated purposes.

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.

FNS, INC. AND AFFILIATES
 NOTES TO THE COMBINED FINANCIAL STATEMENTS
 April 30, 1999 and 1998

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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>1999</u>	<u>1998</u>
Gross patient revenue	\$ 23,098,692	\$ 22,671,225
Less charity and contractual adjustments	<u>9,213,503</u>	<u>8,046,354</u>
Net patient revenue	<u>\$ 13,885,189</u>	<u>\$ 14,624,871</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 \$1,826,480 and \$1,485,950 in 1999 and 1998, 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 accounts receivables consisted of the following at April 30:

	<u>1999</u>	<u>1998</u>
KHCP receivable	\$ 811,438	\$ 406,397
PIP receivable	(829)	771
Physician receivable	9,852	7,515
Employee receivable	2,327	2,327
Contracts receivable	<u>(4,695)</u>	<u>(5,705)</u>
	<u>\$ 818,093</u>	<u>\$ 411,305</u>

FNS, INC. AND AFFILIATES
NOTES TO THE COMBINED FINANCIAL STATEMENTS
 April 30, 1999 and 1998

NOTE 3 - INVESTMENTS

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

	1999		1998	
	Cost	Market	Cost	Market
Cash management funds	\$ 2,388,455	\$ 2,388,455	\$ 1,096,143	\$ 1,096,143
Corporate bonds	4,843,261	4,911,071	5,793,901	5,858,591
Common trust fund bonds	1,428,756	1,525,689	1,348,337	1,467,388
Common Stock	7,507,716	15,429,553	6,809,989	13,413,830
Preferred Stock	64,731	63,750	129,463	127,815
Common trust fund equities	<u>1,636,374</u>	<u>2,245,651</u>	<u>1,257,763</u>	<u>1,796,686</u>
Total investments	\$ <u>17,869,293</u>	\$ <u>26,564,169</u>	\$ <u>16,435,596</u>	\$ <u>23,760,453</u>

NOTE 4 - PROPERTY AND EQUIPMENT

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

	1999	1998
Land	\$ 182,174	\$ 182,174
Buildings	4,516,549	4,324,550
Equipment	6,782,010	6,453,700
Construction in progress	<u>38,925</u>	<u>283,836</u>
	11,519,658	11,244,260
Less accumulated depreciation	<u>(8,222,685)</u>	<u>(7,640,130)</u>
Property and equipment, net	\$ <u>3,296,973</u>	\$ <u>3,604,130</u>

NOTE 5 - ACCRUED MALPRACTICE RESERVE

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 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, 1999 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.

FNS, INC. AND AFFILIATES
 NOTES TO THE COMBINED FINANCIAL STATEMENTS
 April 30, 1999 and 1998

NOTE 6 - OPERATING LEASES AND CONTRACTS

The Service leases various equipment and facilities, such as the property leased from FNS Real Estate, Inc. Total rental expense in 1999 and 1998 for all operating leases was approximately \$49,000 and \$47,000, respectively.

Future minimum lease payments under operating leases that have remaining terms in excess of one year as of April 30, 1999 are:

Year ending April 30, 1999

2000	\$	53,280
2001		<u>22,940</u>
	\$	<u>76,220</u>

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

NOTE 7 - CAPITAL LEASES

The Service has several pieces of Hospital equipment under capital lease. The leased property as of April 30, 1999, had a cost of \$646,706, accumulated amortization of \$189,031 and a net book value of \$457,675. Amortization of the leased property is included in depreciation expense at April 30, 1999.

The future minimum lease payments under the capital lease and the net present value of the future minimum lease payments at April 30, 1999, are as follows:

Year ending April 30, 1999

2000	\$	152,295
2001		138,309
2002		<u>109,430</u>
		400,034
Less amount representing interest		<u>(48,515)</u>
Present value of minimum lease payments		351,519
Less current portion		<u>(124,530)</u>
Long-term portion	\$	<u>226,989</u>

NOTE 8 - CONCENTRATIONS OF CREDIT RISK

The Service maintains its cash balances at several financial institutions throughout the United States. The Federal Deposit Insurance Corporation insures up to \$100,000 at each institution. During the year, the balances at these financial institutions may exceed the FDIC insured amount.

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 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, 1999 is as follows:

Medicare	21.5%	Commercial insurance	31.5%
Medicaid	25.5%	Patients	21.5%

The Service's entire tuition receivable at April 30, 1999 and 1998, represents amounts due from students.

FNS, INC. AND AFFILIATES
NOTES TO THE COMBINED FINANCIAL STATEMENTS
 April 30, 1999 and 1998

NOTE 9 - 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, 1999 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 10 - BONDS

Bonds payable at April 30, 1999 and 1998 consist of the following:

	<u>1999</u>	<u>1998</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>513,210</u>	\$ <u>602,384</u>

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

<u>Year ending April 30:</u>	
2000	\$ 102,717
2001	100,808
2002	106,919
2003	113,400
2004	<u>89,366</u>
Total bond payable	\$ <u>513,210</u>

FNS, INC. AND AFFILIATES
 NOTES TO THE COMBINED FINANCIAL STATEMENTS
 April 30, 1999 and 1998

NOTE 11 - NET ASSETS

The following investment funds have been designated as unrestricted, temporarily restricted or permanently restricted net assets. Temporary or permanent restrictions are designated by the donor. Unrestricted investment funds may be designated by the Board for special purpose as described in Note 1.

<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>
Alice Whitman Fund	Dupont Fund	Adams Fund
Consolidated Account	Education Fund	Arronson Fund
David D. Knox Fund	Ernst Endowment	Atwood Fund
Nixon Fund	Gift Annuities	Bulkley Fund
Powell Account Fund	Kate Ireland	Ferguson Fund
	Center Fund	Friends Fund
	Kate Ireland's Patient	Hospital Fund
	Education Fund	Restricted Endowment
	Kate Ireland	Rodes Fund
	Women's Healthcare	Social Services
	KIWHCC Fund	Taylor Fund
	Mardi Perry	
	Mary Breckinridge	
	Chair Fund	

NOTE 12 - MEDICARE AND MEDICAID PROGRAMS

The Service participates in the Medicare and Medicaid Programs. During 1999, approximately 69% of the Service's net patient revenue were derived from services to patients covered by these Programs. The corresponding percentage was 68% in 1998.

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 0.5% to 2.5% of net collections from patient services and are eligible for reimbursement for certain services provided to indigent patients. The 1999 statement of operations includes revenue of approximately \$1,377,200 and expenses of \$439,000 related to this program. Corresponding amounts were \$1,005,000 and \$348,000 in 1998.

FNS, INC. AND AFFILIATES
NOTES TO THE COMBINED FINANCIAL STATEMENTS
 April 30, 1999 and 1998

NOTE 13 - 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 \$155,000 in 1999 and \$125,000 in 1998 related to the retirement plan.

NOTE 14 - RECLASSIFICATION ON PREVIOUSLY ISSUED STATEMENTS

Certain accounts on the financial statements as of April 30, 1998 and for the year then ended have been reclassified to be consistent with the classifications adopted for the financial statements as of April 30, 1999 and for the year then ended. There is no effect on total assets, total liabilities, stockholders' equity, or net income as previously reported.

NOTE 15 - PRIOR PERIOD ADJUSTMENTS AND RESTATEMENT OF APRIL 30, 1998 FINANCIAL STATEMENTS

Certain errors resulting in the over(under)statements of previously reported self-insurance reserve, accrued preceptor fees and deferred tuition-students were discovered during the current year. Accordingly, adjustments to restate previously reported net assets have been determined as follows:

Net assets as previously reported April 30, 1997	\$ 23,893,662
Correction to record self-insurance reserve activity	(79,090)
Correction to properly state accrued preceptor fees	48,309
Correction to properly state deferred tuition-students	<u>415,909</u>
Net assets as restated May 1, 1997	\$ <u>24,278,790</u>

Certain accounts on the financial statements as of April 30, 1998 and for the year then ended have been restated for the inclusion of the effect of this restatement, the correction of fiscal year 1998 self-insurance reserve activity and the posting of additional disbursements not previously recorded. The restatement is as follows:

	1998 as Previously Reported	Restatement	1998 Restated
Total assets	\$ <u>32,943,014</u>	\$ <u>(995,150)</u>	\$ <u>31,947,864</u>
Total liabilities	\$ <u>4,824,400</u>	\$ <u>(1,110,308)</u>	\$ <u>3,714,092</u>
Net assets	\$ <u>28,118,614</u>	\$ <u>115,158</u>	\$ <u>28,233,772</u>

Report of Operations

The following is a comparative analysis of services provided during the two fiscal years 1998 and 1999.

	FYE 1998	FYE 1999
Percent of occupancy	35.0	41.2
Patient days (total)	5,515	6,588
Medical/Surgical	4,580	5,510
Obstetrical	526	509
Skilled Beds	409	569
Admissions (total)	1,331	1,737
Medical/Surgical	1,081	1,492
Obstetrical	221	200
Skilled Beds	29	45
Average daily census	14	16.5
Average length of stay	3.9	3.6
Newborn percent of occupancy	8.3	9.1
Newborn patient days	303	333
Newborn admissions	132	137
Newborn average daily census	2.3	1.0
Newborn length of stay	2.1	2.0
Deliveries (total)	132	137
Physican	94	41
Midwife	36	83
Physician/Midwife	2	13
Operations (total)	504	452
In-patient	124	121
Out-patient	345	306
C-sections	35	25

	FYE 1998	FYE 1999
Deaths	31	33
in-patients	21	18
Emergency Room	10	15
X-rays (total)	12,198	13,379
in-patient	1,621	1,980
out-patient	10,577	11,399
CT scans (total)	955	1,322
in-patient	180	313
out-patient	775	1,009
Ultrasound (total)	1,496	1,350
in-patient	312	228
out-patient	1,184	1,122
Mammograms (total)	286	384
Lab procedures (total)	140,406	123,358
in-patient	47,935	42,898
out-patient	58,063	51,747
referred in	34,408	28,713
Physical Therapy (total)	5,368	6,155
in-patient	1,238	2,072
out-patient	4,130	4,083
EKG procedures (total)	3,921	2,929
in-patient	1,718	1,300
out-patient	2,203	1,629
EEG procedures (total)	30	35
in-patient	9	24
out-patient	21	11

	FYE 1998	FYE 1999
Respiratory Therapy (total)	55,395	58,147
in-patient	46,910	50,746
out-patient	8,485	7,401
Home Health visits (total)	37,713	28,993
Clinics (total)	39,859	37,215
Hyden	20,149	18,085
Emergency Room	9,195	7,935
Kate Ireland's Women's	2,205	2,622
Beech Fork	3,368	2,792
CHC	2,399	2,566
Wooton	2,543	2,742
After Hours Clinic	00	473
Social Services (total)	875	737
in-patient	362	235
out-patient	266	306
Home Health	247	196
Courier services:		
Number of volunteers	23	16
Clinic hours	310	98
Rounds and x-ray transports	1,680	1,090
Home Health visits	540	40
Kate Ireland Womens	241	142
Literacy/Community	1,484	992
MBHC	640	588
Wendover	695	1,182
CNEP classes and/or shadowing providers	385	450
Office hours	520	192

Seventy-Fourth Year Totals - Selected Data

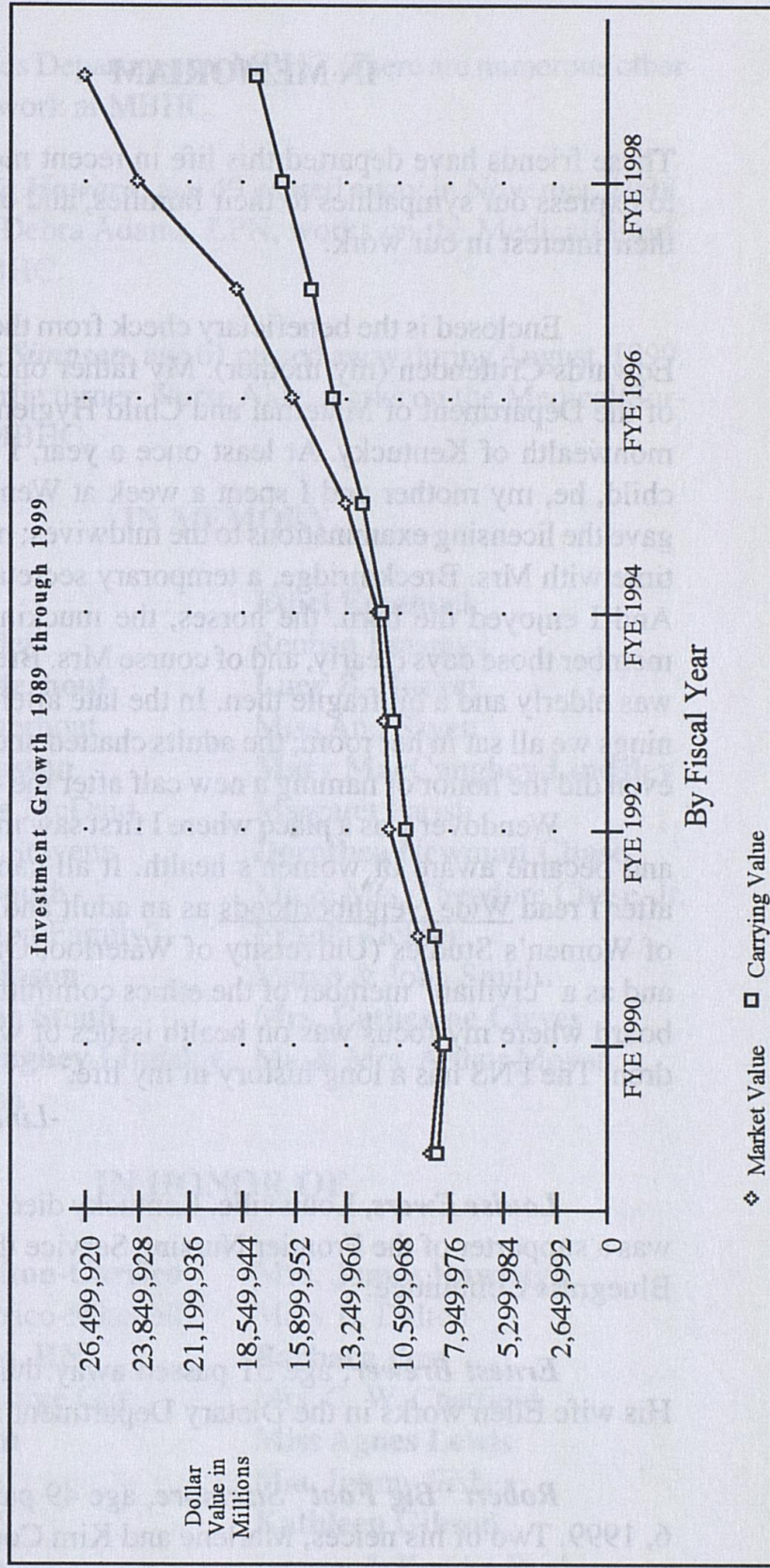
Because there continues to be interest in these figures, we have reconstructed the essential information necessary to cover FNS' seventy-four years of operation. These figures should not be understood as audit totals. They are reasonable close approximations as of the close of the fiscal year that ended April 30, 1999.

* Patients registered from the beginning in 1925 (including all clinics and emergency room)	372,968
* Maternity cases delivered	24,683
* Maternity death (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	573,032
* Number of midwives graduated including CNEP	1,288
* Number of CNEP students currently enrolled	188

Total Contributions

	YTD 1997-1998	YTD 1998-1999
Non-restricted	\$830,574	881,706
Restricted	\$100,236	275,186
Boston Committee	\$2,735	24,022
Bluegrass Committee	\$1,385	1,760
Daughters of Colonial Wars	\$9,192	8,179

	FYE 1989	FYE 1990	FYE 1991	FYE 1992	FYE 1993	FYE 1994	FYE 1995	FYE 1996	FYE 1997	FYE 1998	FYE 1999
Market Value	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	26,499,920
Carrying Value	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	17,805,043
Market Value Changes		-471,142	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
								Total Growth Market Value =			17,531,538
Carrying Value Changes		-429,685	583,306	1,424,979	587,405	687,992	981,197	1,435,415	1,152,207	1,431,369	1,369,447
All figures are audited								Total Growth Carrying Value =			9,223,632



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.

Enclosed is the beneficiary check from the estate of Lucy Edwards Crittenden (my mother). My father once was the head of the Department of Maternal and Child Hygiene for the Commonwealth of Kentucky. At least once a year, I remember as a child, he, my mother and I spent a week at Wendover while he gave the licensing examinations to the midwives; my mother spent time with Mrs. Breckinridge, a temporary secretary so to speak. And I enjoyed the barn, the horses, the mucking around. I remember those days clearly, and of course Mrs. Breckinridge who was elderly and a bit fragile then. In the late afternoons and evenings we all sat in her room; the adults chatted and I listened. She even did the honor of naming a new calf after me - Lucy Lindsay.

Wendover was a place where I first saw mountain culture and became aware of women's health. It all came back clearly after I read Wide Neighborhoods as an adult and as the Director of Women's Studies (University of Waterloo, Ontario, Canada) and as a "civilian" member of the ethics committee of a hospital board where my focus was on health issues of women and children. The FNS has a long history in my life.

-Lindsay C. Dorney

Louise Ewers, Louisville, Kentucky died early 1999. She was a supporter of the Frontier Nursing Service through the FNS Bluegrass Committee.

Ernest Brewer, age 51 passed away during July, 1999. His wife Ellen works in the Dietary Department at MBHC.

Robert "Big Foot" Sizemore, age 49 passed away June 6, 1999. Two of his neices, Marlene and Kim Couch work in the

Medical Records Department at MBHC. There are numerous other relatives who work at MBHC.

Loretta Howard, age 49 passed away in Novemer, 1998. Her daughter, Debra Adams, LPN, works on the Medical/Surgical Unit at MBHC.

Pheba Simpson, age 61 passed away during August, 1999. Her sister, Pearlie turner, Nurse Aide, works on the Medical/Surgical Unit at MBHC.

IN MEMORY

Louise Evers	Ethel Emanuel
Dorothy Wehrley	Reuben Emanuel
Beverly P. Osterhout	Lucy B. Harvey
William L. Osterhout	Miss Ann Sayen
Genevieve Wasson	Mary MacCaughey Lindsley
Elizabeth Anne McDaid	Margaret Parish
Margaret Jean Stevens	Dorothea Newman Chase
Marguerite Booth	Mr. & Mrs. Theodore Chase, Jr.
“The Huddleston Family”	Frank Richter
Dallas Thomlinson	Marge & John Smith
Marge and John Smith	Mrs. Catherine Cirves
Mary MacCaughey Lindsley	Mr. & Mrs. Arthur Moyer
Margaret Parish	

IN HONOR OF

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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 _____

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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.

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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 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, Kentucky 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 Department of Human Resources, Wendover, KY 41775 (606-672-2913)

Courier Program: This Program has an on-going 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 12 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., 132 FNS Drive, Wendover, Kentucky 41775 (606-672-2317).

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 Director of Nursing, Mary Breckinridge Healthcare, Inc., 130 Kate Ireland Drive, Hyden, Kentucky 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. Send to FNS, Inc., 132 FNS Drive, Wendover, Kentucky 41775.

Dietary:

Meat Slicer	1,636.00
Food Blixer, Blender Bowl	507.57

Emergency Room:

Warming Blankets	657.74
Alligator Forceps (ear, nose)	560.87
Wheelchair Accessories (for two chairs)	273.90
Spider Straps	224.00
IV Pole (critical care x 2)	225.90

Home Health:

Portable Mobile IV Stand	50.00
Blood Pressure Cuff (5)	176.10

Hyden Clinic:

Chair Scales	459.99
Cast Cutter with Cast Vacuum	1,761.17
Rolling Blood Pressure Cuff	141.93
Two Welch Allen Speculum Lights	215.06

Kate Ireland Women's Center:

Four Welch Allen Speculum Lights	430.12
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Infection Control:

Whiteboard & Easel	169.99
Overhead Projector	199.99

URGENT NEEDS - Continued

Medical Surgical:

Heavy Duty Bed	1,928.75
Bedside Scales	1,837.50

Obstetrics:

Two Ultrasound Sonic Stethoscopes	1,066.90
Blood Pressure (roll around)	379.90

Operating Room:

Buffer/Scrubber	980.00
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Pharmacy:

Refrigerator	1,000.00
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Physical Therapy:

SysStim 226 Neuromuscular Stimulator	1,695.00
BAPS - Knee, Ankle, Foot Exerciser System	525.00
Pro-Fitter Exercise System	499.00
Saunders Portable Cervical Traction	395.00

Respiratory Care:

Two O2 Analyzers	628.00
Miller & MacIntosh Blades/Handles	976.45

X-Ray:

Dedicated Mamography Illuminator Cone Instrument	745.00
Ultrasound Gel Warmer Cone Instrument	229.00
Cool Brite High Intensity Illuminator Cone Instrument	654.00
Radiation Protection Equipment	850.00
Mammography Viewboxes	1,600.00

WE THANK YOU
FOR YOUR PARTICIPATION



PLACE
FIRST-
CLASS
POSTAGE
HERE

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



Loose Item

Please send me more information about:

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

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

- New
- Renewal

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

Enclosed is my gift of \$ _____



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

Name

Address

City

State

Phone ()

Zip

Your Gift is
Tax Deductible

Loose Item

FRONTIER NURSING SERVICE, INC.

Its motto:

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

Isaiah 40:11

Its object:

To safeguard the lives and health of mothers and children by providing and preparing trained nurse-midwives 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