FNS FRONTIER NURSING SERVICE
Volume 79 Number 1 Summer/Sept. 2003

SEVENTY-EIGHTH ANNUAL REPORT

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Cover: Beautiful Wendover! January 2003. Barn in background.
Photo by Kate Fox, Courier.

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Courier Program News

by Barb Gibson, Assistant to CEO

We haven't had any Couriers this summer but are looking forward to the arrival of Anna Carey, Webster, New York, on September 2. Anna is a school teacher who wants to broaden her experiences in rural settings to more than the school aspect.

Totty Lawson, Tour Guide, and AnnDraia Bales, Development Secretary, plan to attend job fairs during October in New Hampshire and Maine in an effort to encourage Couriers to apply to our Program. We are trying to get the word out that we provide opportunties to observe providers.

Former Courier News

Mike Thompson ('02), wrote during May from Costa Rica where he was visiting his sister. Mike is transferring to Brown University in the fall.

Susan Mathew ('98), Washington, DC, wrote during August that she recently got a job with Family Health International which does public health work in HIV/AIDS and reproductive health.

Karen Thomisee, ('96) Asheville, North Carolina, and her dog, Ruby, visited during Memorial Day weekend. They were our first guests to stay in the newly renovated Upper Shelf.

Wendover News

by Barb Gibson, Assistant to CEO

It has been a very wet summer with more rain than we normally have. Between the rain we have continued the upkeep of Wendover with no major problems/projects. We continue in our efforts to make Wendover more beautiful. Our Bed & Breakfast Inn staff do a wonderful job of making our guests feel welcome. We continue to accommodate overnight guests and to host guests through luncheons, dinners and tour groups. We have had several journalists visit recently while touring eastern Kentucky. Some of them wrote about Wendover's Bed & Breakfast Inn.

Upper Shelf History

In the last Wendover News I wrote an update about the renovations of the Upper Shelf. The following is a note from Michele Bouche, nurse midwife, who lived at the Upper Shelf in 1980. Her husband remodeled the Upper Shelf during that time:

"In the latest *Quarterly Bulletin* I was fascinated to see a picture of the Upper Shelf and to read that it was still standing and in use. It was an abandoned building with four separate entrances and only outside access to the bathroom when my husband and my seven-month-old son and I moved to Wendover so I could attend the Frontier School of Midwifery in 1978."

"Dr. Beasley arranged for us to live there rent free in exchange for remodeling the place into a single family dwelling. My husband is a building contractor and he did all the work. We put in insulation, made a hallway, made a kitchen and lived there for three plus years. In fact, our second son was born there on November 11, 1980, the day of the fire at the little Post Office. We have pictures and lots of fond memories of hauling coal buckets up the 105 stone steps to the Upper Shelf." *-Michele Bouche*

Mary Breckinridge Healthcare, Inc. News

by Mallie Noble, Administrator

Critical Access Licensure

The Office of Inspector General conducted Mary Breckinridge Hospital's survey as a Critical Access Hospital on July 22. I am very pleased to announce that no deficiencies were found and the OIG Office recommended that our facility be licensed and certified as a Critical Access Hospital on September 1. A special thank you to the employees for their hard work in achieving this.

Hospital Receives New Paint Job

Mary Breckinridge Hospital is in the process of getting a new face-lift, thanks to the Ladies Auxiliary Committee. The Hospital currently is about two-thirds painted with plans to finish by the end of August. Local contractors are doing the painting and the hospital looks great. I have had numerous calls from local community members commenting on how well the hospital looks. The local contractors have done an excellent job.

SHIP Grant

Mary Breckinridge Healthcare has applied for a Small Rural Hospital Improvement Grant (SHIP) through the Kentucky Hospital Association.

Health Fair

Mary Breckinridge Hospital Quality Improvement Department conducted their 8th Annual Health Fair at the Nixon Center on July 25th. Forty-five vendors were present and set up booths with healthcare information, free blood pressure checks, free glucose checks and gave out a variety of nutritional information. Representatives from Centers for Medicare and Medicaid (CMS) were present with information concerning Medicare benefits. Approximately 300 community members attended the Health Fair. Thanks

to the Quality Improvement Department and all employees who participated in this year's Health Fair. This is a very good educational and outreach resource for community members.

Mary Breckinridge Festival Plans

Since the Mary Breckinridge Festival last October the Mary Breckinridge Festival Committee Members have been meeting monthly to help ensure that this Festival is bigger and better each year. The theme this year is "Celebrating 125 years of History of Leslie County, Past, Present and Future". I would like to express a special thank you to all the Committee members for doing such a wonderful job, especially Rhonda Brashear, Chairman.

Regional Bioterrorism Meetings

Some MBHC staff members and I have been meeting with representatives from the Kentucky Hospital Association and from Kentucky Region 10, to develop a federally mandated plan to address bioterrorism. This region includes the counties of Leslie, Knott, Letcher, Perry, Wolfe, Lee and Owsley. The development of this plan has been a six-month process and will address an influx of 500 patients to be handled within this regional structure.

The Federal Government, along with the Kentucky Hospital Association, will be issuing grants to assist in supplies and upgrades of radio equipment and personal protective equipment needed by the region. We have completed all the necessary grant applications and are awaiting confirmation of the funding we will receive. The amount we are expecting is around $10,000. Our plans are to prepare our facility and to educate the community concerning bioterrorism

This process will include networking with all the district clinics, private physicians and the County Health Department. This preparation is a goal which we will continue to upgrade and change as the government mandates and as we see the need arise.

Frontier Nursing Clinics Update

by Dr. Julie Marfell, Executive Director

We continue to grow and change at the Frontier Nursing Healthcare, Inc (FNH). As we plan and move forward, we re-visited the mission statement for the clinics. A new statement was drafted from the previous one and is as follows: "The mission of FNH is to provide effective, comprehensive and affordable primary healthcare to rural families in partnership with the community. This includes maternity care, childbirth, the care of infants, children, adolescents, adults and the elderly, within the context of the entire family. FNH is committed to advancing the education of health professionals by providing an educational site for clinical practice with primary consideration given to FSMFN students." The Board of Directors approved the statement at the July meeting. Per the Board of Director's request, we will be adding additional language to the statement that speaks to research.

Also, at the July meeting I was named the Executive Director of FNH. This will be part of my appointment as the Chairperson of the Department of Family Nursing at the Frontier School of Midwifery and Family Nursing (FSMFN) and is an administrative position. This organization's structural change will continue to strengthen the ties between FSMFN and the clinics and our concept of faculty practice. Heidi Froemke, MSN, FNP, and Debi Karsnitz, MSN, CNM, will remain Directors of the Family Nurse Practitioner and Midwifery Services and will continue to oversee the daily operations of the clinics. The Kate Ireland Health Center in Manchester passed the state inspection for rural clinic licensure with flying colors.

The nurse-midwives and nurse practitioners from all four clinics participated in a health fair held in Hyden in July. The staff gave away health education literature and a raffle for a sports physical, a women's exam, a gift certificate for athletic shoes, baby gear and sports equipment was held as part of the promotional activities.

FNH also participated in a Women's Day at the Leslie County Health Department. Debi Karsnitz gave an educational presentation and we sponsored lunch for the participants.

Plans are underway for participation in Clay County Days and the Mary Breckinridge Festival. We are very excited because FSMFN students will be in for a Level III during the Mary Breckinridge Festival and will participate in the festivities including the parade.

Hyden Clinic/Dr. Anne Wasson Building

Frontier School of Midwifery and Family Nursing News

by Dr. Susan Stone, President & Dean

The Frontier School of Midwifery and Family Nursing is proud to announce that we have achieved Candidacy status with the Southern Association of Colleges and Schools (SACS). This is a major step forward toward achieving full accreditation. The next steps include a full assessment of our school, submission of the completed SACS compliance document, applications and a self-study for nursing accreditation and preparation for re-accreditation with the American College of Nurse-Midwives for our CNEP program. Our work has only just begun but we embrace the challenge because we know that we will be meeting the needs of our students and producing wonderfully competent clinicians who will care for underserved populations around the world. Students admitted in the Fall of 2003 will be offered the full Master of Science in Nursing program with the option of completing the nurse-midwifery track or the family nurse practitioner track. Our goal is to achieve full accreditation by December 2004.

Graduation plans for this Fall are progressing. As part of our transition to a fully accredited graduate school, we will be wearing caps and gowns for the very first time. Students and faculty voted on the choice of color for the gowns and the vote was overwhelmingly to wear the school color of royal blue. Our ceremony this year will celebrate the achievement of 1000 graduates from the Community-Based Nurse Midwifery Education Program. Most appropriately, the speaker for this ceremony will be the founder of the CNEP, Kitty Ernst, CNM, MPH, DPS. We are looking forward to this ceremony with great excitement.

WEBSITES

Frontier Nursing Service - www.frontiernursing.org

FSMFN Community Based Nurse Midwifery Education Program (CNEP) - www.midwives.org

FSMFN Community Based Nurse Practitioner Program (CFNP) - www.frontierfnp.org

Special Thanks for Urgent Needs

Thanks to Joy Phonix, Elenor C. Hoague, S. Marc Cohen, Robert and Ceclia Morris, for the purchase of 1) pulse oximetry probes for the Emergency Room; and 2) Otoscope, 02 Sat Machine and blood pressure cuffs for Home Health.

Thanks to Charles Nickolaus for the purchase of Littman stethescope and sensory manipulatives for Medical/Surgical.

Annual Teen Pregnancy Prevention Lock-In

by Deborah Karsnitz, Director of Midwifery

This May, the Frontier Nursing Midwives sponsored their 5th Annual Teen Pregnancy Prevention Lock-in. Like years before, the night was a huge success. The event started on a Friday evening at 7:00 pm and ended the next morning at 7:00 am. Volunteers for the Lock-In consisted of staff from Frontier School of Midwifery and Family Nursing, Frontier Nursing Healthcare, Inc., and Mary Breckinridge Hospital, as well as many community members and, of course, our local City Police department, Sheriff's department, and State Police. I want to say a special thank-you to our local seniors from Leslie County High School. They were a wonderful addition to our staff this year. They patrolled constantly, kept in communication with the rest of the staff and greatly helped control the crowd. They also had fun dancing and singing with other students in our talent competition.

We had 300 student participants this year, ages 13-15. We started the evening with live music from the band, Ambush, followed by a dance with local DJ, Michael Dwayne. Michael has participated in this event for the past five years and has become a fixture in our planning. The co-chairs for the lock-in were Deborah Karsnitz, CNM, and Karen Sallee, LCSW, former Social Worker for Mary Breckinridge Hospital. We raised over $1,500.00 mostly due to Karen Sallee's expertise in fund raising. The students enjoyed a night of music, fun, games, karaoke, and sports, all the free food they could eat and drink, and prizes at the end of the night.

During the night we held mandatory teaching sessions where groups were divided by age and sex. The discussions ranged from pregnancy prevention, date rape, and protection from disease and how to deal with peer pressure. The discussions were very frank, lively and interesting. We encouraged very open discussions and often discovered that our teens have many misconceptions in these areas. We plan to continue this yearly event each May, and hope for continued support from the community and friends of Frontier Nursing Service.

Beech Fork Nursing Center Renovations Update

In the last *Quarterly Bulletin,* we wrote about the Beech Fork Nursing Center renovations project, the first out-post clinic built by Mrs. Breckinridge.

Since the last update, the roof has been replaced and trees have been cut to prevent further roof damage. Many hours have been spent burning brush, etc. The outside of the Center has been painted and work has begun on the inside - replacing ceilings, restoration of wooden floors and much more. We are making progress but still have a lot to do. We encourage your support!

Special thanks to the following people who have contributed to this project: Mr. & Mrs. James V. Tartala, Dr. Zondra Linblade, Mrs. Charles S. Potter, Betty Ann Bradbury, Jane Leigh Powell, Eunice "Kitty" Ernst, Kathy Kaufman, Karen Clark, Harriet Palmer and Carolyn Godfrey.

Beech Fork Center – August 2003

SEVENTY-EIGHTH ANNUAL REPORT

OF

THE

FRONTIER NURSING SERVICE

For the Fiscal Year
May 1, 2002 to April 30, 2003

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, 2003.

POTTER & COMPANY, LLP

Certified Public Accountants *Business Advisors*

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying combined statements of financial position of FNS, Inc. (a non-profit organization) and affiliates as of April 30, 2003 and 2002, and the related combined statements of activities and changes in net assets and cash flows for the years then ended. These combined financial statements are the responsibility of the FNS, Inc.'s management. Our responsibility is to express an opinion on these combined financial statements based on our audits.

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

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of FNS, Inc. and affiliates as of April 30, 2003 and 2002, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 18 to the financial statements, certain errors resulting in understatement of previously reported temporarily restricted net assets as of April 30, 2001, were discovered by management of FNS, Inc. during the current year. Accordingly, an adjustment has been made to unrestricted board designated net assets and temporarily restricted net assets as of April 30, 2001, to correct this error.

Potter & Company, LLP

POTTER & COMPANY, LLP
August 1, 2003

FNS, INC. AND AFFILIATES
COMBINED STATEMENTS OF FINANCIAL POSITION
April 30, 2003 and 2002

ASSETS	2003	2002
Current assets:		
Cash and cash equivalents	$ 447,331	$ 764,789
Cash - self insured medical	6,402	7,530
Receivables:		
Patient, less allowances for uncollectible accounts of approximately $947,100 and $842,000 in 2003 and 2002, respectively	2,378,592	2,685,411
Student tuition, less allowances for uncollectible accounts of approximately $18,700 in 2003 and 2002, respectively	421,965	187,986
Bequest receivable	0	500,000
Other	117,378	96,383
Investments	17,298,622	21,940,777
Inventories	211,449	254,188
Prepaid expenses and other assets	438,956	431,463
Total current assets	21,320,695	26,868,527
Property and equipment, net	3,186,125	2,648,925
Other assets:		
Beneficial interest in outside trusts	1,626,457	1,772,000
Investments held in perpetuity	3,969,022	3,969,022
Total other assets	5,595,479	5,741,022
Total assets	$ 30,102,299	$ 35,258,474

See accompanying notes.

LIABILITIES AND NET ASSETS	2003	2002
Current liabilities:		
Accounts payable	$ 456,969	$ 837,945
Accrued salaries and withholdings	320,659	305,257
Accrued vacation expense	322,997	352,409
Deferred tuition, students	619,429	518,273
Self-insured medical liability	134,911	99,798
Estimated third-party payor settlements	726,999	450,000
Obligations under capital leases - current portion	197,724	0
Notes payable - current portion	208,820	207,287
Bond payable - current portion	99,073	122,330
Other liabilities	493,481	593,390
Total current liabilities	3,581,062	3,486,689
Commitments and contingencies		
Long term liabilities:		
Obligations under capital leases, net of current portion	571,534	0
Notes payable, net of current portion	18,505	37,322
Bonds payable, net of current portion	0	89,589
Total long term liabilities	590,039	126,911
Total liabilities	4,171,101	3,613,600
Net assets:		
Unrestricted:		
Board designated	7,711,407	10,995,664
Undesignated	4,262,271	4,945,294
Temporarily restricted	8,362,041	9,962,894
Permanently restricted	5,595,479	5,741,022
Total net assets	25,931,198	31,644,874
Total liabilities and net assets	$ 30,102,299	$ 35,258,474

FNS, INC. AND AFFILIATES
COMBINED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
Years ended April 30, 2003 and 2002

	2003	2002
Change in unrestricted net assets:		
Revenues and gains:		
Net patient service revenue	$ 11,207,253	$ 13,188,196
Contributions	596,250	589,596
Education revenues:		
Tuition and educational fees	1,498,069	1,475,710
Federal grants	130,336	112,225
Other grant revenue	38,665	45,836
Other revenue:		
Investment return	(1,328,691)	(875,919)
Other revenue	3,015,507	199,152
Net assets released from restriction due to satisfaction of program requirements	767,301	566,771
Total revenues and gains	15,924,690	15,301,567
Expenses:		
Salaries and wages	6,717,470	7,565,146
Fringe benefits	1,526,791	1,278,084
Medical services, supplies, and other expenses	8,198,130	5,385,675
Facility costs	1,747,558	1,234,232
Provider taxes	219,230	196,619
Provision for bad debts	1,482,791	1,223,435
Total expenses	19,891,970	16,883,191
Change in unrestricted net assets	(3,967,280)	(1,581,624)
Change in temporarily restricted net assets:		
Contributions	136,281	593,393
Investment return	(965,115)	(1,119,924)
Change in annuity payable	(4,718)	66,321
Net assets released from restriction due to satisfaction of program requirements	(767,301)	(566,771)
Change in temporarily restricted net assets	(1,600,853)	(1,026,981)
Change in permanently restricted net assets:		
Contributions	0	50,000
Change in beneficial interest in outside trusts	(145,543)	(127,853)
Change in permanently restricted net assets	(145,543)	(77,853)

See accompanying notes.

FNS, INC. AND AFFILIATES
COMBINED STATEMENTS OF ACTIVITIES AND CHANGES
IN NET ASSETS (CONTINUED)
Years ended April 30, 2003 and 2002

	2003	2002
Change in net assets	(5,713,676)	(2,686,458)
Net assets, beginning of year	31,644,874	34,331,332
Net assets, end of year	$ 25,931,198	$ 31,644,874

See accompanying notes.

FNS, INC. AND AFFILIATES
COMBINED STATEMENTS OF CASH FLOWS
Years ended April 30, 2003 and 2002

	2003	2002
Cash flows from operating activities:		
Change in net assets	$ (5,713,676)	$ (2,686,458)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Change in beneficial interest in outside trusts	145,543	127,853
Provision for bad debts	1,482,791	1,223,435
Depreciation	592,306	293,264
Realized losses on sales of investments	1,451,420	610,272
Unrealized losses on investments	1,416,120	2,111,435
Loss on disposition of equipment	67,646	
Permanently restricted contributions	0	(50,000)
(Increase) decrease in:		
Patient receivables	306,819	(884,073)
Student tuition receivables	(233,979)	(28,590)
Bequest receivable	500,000	(500,000)
Other receivables	(20,995)	(95,483)
Inventories	42,739	5,928
Other assets	(7,493)	(99,713)
Increase (decrease) in:		
Accounts payable	(380,976)	(172,301)
Deferred tuition, students	101,156	4,860
Self-insurance reserve	35,113	(222,047)
Estimated third-party payor settlements	276,999	(8,639)
Other liabilities	(113,919)	(143,728)
Net cash used in operating activities	(52,386)	(513,985)
Cash flows from investing activities:		
Proceeds from sale of equipment	58,688	0
Purchase of property and equipment	(285,932)	(471,680)
Proceeds from sale of investments	13,925,987	13,005,096
Purchase of investments	(13,703,036)	(12,517,854)
Net cash provided by (used in) investing activities	(4,293)	15,562
Cash flows from financing activities:		
Borrowings from notes payable		190,000
Payments on notes payable	(17,284)	(15,876)
Payments on capital leases	(130,649)	(94,712)
Payments on bond payable	(112,846)	(106,395)
Investment subject to long-term restrictions	0	50,000
Net cash provided by (used in) financing activities	(260,779)	23,017

See accompanying notes.

FNS, INC. AND AFFILIATES
COMBINED STATEMENTS OF CASH FLOWS (CONTINUED)
Years ended April 30, 2003 and 2002

	2003	2002
Net decrease in cash and cash equivalents	(317,458)	(475,406)
Cash and cash equivalents, beginning of year	764,789	1,240,195
Cash and cash equivalents, end of year	$ 447,331	$ 764,789
Supplemental cash flow information:		
Cash payments for interest	$ 54,791	$ 37,156
Noncash investing and financing activities		
Equipment acquired with capital lease	$ 899,907	$ 0

See accompanying notes.

FNS, INC. AND AFFILIATES
NOTES TO THE COMBINED FINANCIAL STATEMENTS
April 30, 2003 and 2002

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Organization:

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

During 2003 the Service formed a new company entitled Frontier Nursing Healthcare, Inc. The company was established to account for rural health clinics. All current and future health clinics will be financially and legally separated from the Hospital. Operation for Frontier Nursing Healthcare, Inc. commenced in February 2003.

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 and home health agency.

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.

Frontier Nursing Healthcare, Inc. – Entity responsible for operating the rural health clinics.

FNS, INC. AND AFFILIATES
NOTES TO THE COMBINED FINANCIAL STATEMENTS
April 30, 2003 and 2002

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Principles of Combination (Continued):

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 accounting principles generally accepted in the United States of America.

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

Contributions, including unconditional promises to give, are recognized as revenues in the period received and are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and nature of any donor restrictions. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Restricted contributions whose restrictions are satisfied in the period the contributions are received are reported as unrestricted contributions. Restricted net assets are reclassified to unrestricted net assets upon satisfaction of the time or purpose restriction and are reported in the statement of activities as net assets released from restrictions.

Use of Estimates:

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

Cash and Cash Equivalents:

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

Accounts Receivable, Students and Deferred Tuition, Students:

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

FNS, INC. AND AFFILIATES
NOTES TO THE COMBINED FINANCIAL STATEMENTS
April 30, 2003 and 2002

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Allowance for Doubtful Accounts:

The Service provides an allowance for doubtful accounts receivable based upon historical collection experience. The allowance represents an amount, which, in management's judgment, will be adequate to absorb future losses on existing patient and tuition receivables that may become uncollectible. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to patient or tuition receivable.

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. Restricted investment income is reclassified to unrestricted net assets upon satisfaction of the time or purpose restriction and is reported in the statement of activities as net assets released from restrictions. Restricted investment income whose restriction is satisfied in the period the income is received are reported as unrestricted investment income.

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 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.

The Whitman Library Fund provides income to fund the library of the midwifery and family nursing school

Income from the Consolidated, David Knox, Mary Breckinridge and Whitman Library funds are retained with the funds until expended for the designated purposes.

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, 2003 and 2002

NOTE 1 - SUMMARY OF 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 a beneficiary of trust funds held by others. The Service has recorded as a permanently restricted asset the fair value of the trusts, which represents an estimate of the net present value of the estimated income to be received from the outside trusts. Income received from such funds is included in unrestricted donations.

Gift Annuity Reserve:

Contributions received by the Service under gift annuity agreements are recorded at fair value at the date of contribution. Under the terms of the annuity agreement, the Service holds the assets contributed and makes periodic payments of a fixed amount to the annuitant for the remainder of the annuitant's lifetime. Assets held under the gift annuity agreement at April 30, 2003 and 2002 totaled $171,500 and $194,000, respectively. The net present value of the annuity obligation, calculated using the applicable federal rates and life expectancy tables totaled approximately $12,000 and $17,000 at April 30, 2003 and 2002.

Property and Equipment:

The Service capitalizes all expenditures for property and equipment in excess of $500. Purchased property and equipment are carried at cost. Donated property and equipment are carried at the approximate fair value at the date of donation. Depreciation is provided using straight-line and accelerated methods over the estimated useful lives of the assets. Total depreciation expense was approximately $592,000 and $293,000 for the years ended April 30, 2003 and 2002, respectively.

Preceptor Fees:

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

Accrued Malpractice Reserve:

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

Statements of Activities:

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

FNS, INC. AND AFFILIATES
NOTES TO THE COMBINED FINANCIAL STATEMENTS
April 30, 2003 and 2002

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Grant Revenues:

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

Net Patient Service Revenue:

The Service has agreements with third-party payors that provide for payments to the Hospital at amounts different from established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per diem payments. Net patient revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods, as final settlements are determined. Net patient service revenue rendered consists of the following:

	2003	2002
Gross patient revenue	$ 16,789,127	$ 19,346,917
Less charity and contractual adjustments	5,581,874	6,158,721
Net patient service revenue	$ 11,207,253	$ 13,188,196

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 $667,000 and $753,000 in 2003 and 2002, respectively.

Advertising:

The Service expenses advertising costs as they are incurred. Advertising expense for the years ended April 30, 2003 and 2002 was approximately $29,000 and $35,000, respectively.

Income Taxes:

All entities compromising 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.

FNS, INC. AND AFFILIATES
NOTES TO THE COMBINED FINANCIAL STATEMENTS
April 30, 2003 and 2002

NOTE 2 - INVESTMENTS

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

	2003		2002	
	Cost	Market	Cost	Market
Cash and cash equivalents	$ 2,241,854	$ 2,241,854	$ 1,537,048	$ 1,537,047
Corporate bonds	3,124,223	3,260,910	5,135,271	5,292,696
Common trust fund bonds	2,322,534	2,479,920	1,610,429	1,687,885
Common stock	11,056,137	11,695,885	13,920,317	15,806,121
Common trust fund equities	1,708,613	1,589,075	1,554,668	1,586,050
Total investments	$ 20,453,361	$ 21,267,644	$ 23,757,733	$ 25,909,799

Investment return is summarized as follows:

	2003			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Interest and dividends	$ 328,477	$ 245,257	$	$ 573,734
Realized losses	(911,701)	(539,719)		(1,451,420)
Unrealized losses	(745,467)	(670,653)		(1,416,120)
Total investments	$ (1,328,691)	$ (965,115)	$ 0	$ (2,293,806)

	2002			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Interest and dividends	$ 423,128	$ 302,736	$	$ 725,864
Realized losses	(281,136)	(329,136)		(610,272)
Unrealized losses	(1,017,911)	(1,093,524)		(2,111,435)
Total investments	$ (875,919)	$ (1,119,924)	$ 0	$ (1,995,843)

Investments are included in the accompanying statements of financial position under the following captions:

	2003	2002
Investments	$ 17,298,622	$ 21,940,777
Investments held in perpetuity	3,969,022	3,969,022
Total investments	$ 21,267,644	$ 25,909,799

FNS, INC. AND AFFILIATES
NOTES TO THE COMBINED FINANCIAL STATEMENTS
April 30, 2003 and 2002

NOTE 3 - PROPERTY AND EQUIPMENT

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

	2003	2002
Land	$ 489,114	$ 251,382
Buildings	4,684,700	4,516,549
Equipment	7,864,490	7,630,182
Construction in Progress	0	244,247
	13,038,304	12,642,360
Less accumulated depreciation and amortization	9,852,179	9,993,435
Property and equipment, net	$ 3,186,125	$ 2,648,925

NOTE 4 - BENEFICIAL INTEREST IN OUTSIDE TRUSTS

The Service is a beneficiary of trust funds held by others. The Service receives income annually based on a percentage stipulated in the trust agreement. The trustee is to hold assets of the trust in perpetuity. Should the Service ever cease to exist the assets will be transferred to another beneficiary as named in the trust agreement. The composition of the Service's beneficial interest in outside trusts held by third parties consists of the following:

	2003	2002
Ballard trust	$ 283,923	$ 310,152
Gage trust	897,458	985,063
Jones trust	48,347	48,304
Patterson trust	192,616	201,363
Ross trust	65,189	70,634
Schoff trust	58,568	69,281
Stebbins trust	80,356	87,203
	$ 1,626,457	$ 1,772,000

NOTE 5 - ACCRUED MALPRACTICE RESERVE

The Service purchases professional and general liability insurance to cover medical malpractice claims. There are known claims and incidents that may result in the assertion of additional claims, as well as claims from unknown incidents that may be asserted arising from services provided to patients. In the opinion of the Service, such insurance and estimated reserves for deductibles are adequate to cover significant losses, if any. Should the claims-made policies not be renewed or replaced with equivalent insurance, claims based upon occurrences during their terms but reported subsequently will be uninsured. The Service intends to continue carrying such insurance.

FNS, INC. AND AFFILIATES
NOTES TO THE COMBINED FINANCIAL STATEMENTS
April 30, 2003 and 2002

NOTE 5 - ACCRUED MALPRACTICE RESERVE (CONTINUED)

Liabilities for incurred but not reported losses at April 30, 2003 are not determinable; however, in management's opinion such liabilities, if any, would not have a material adverse impact on the Service's financial statements. Accordingly, no provision for adverse loss contingencies had been made in the accompanying financial statements.

NOTE 6 - OPERATING LEASES

The Service leases various equipment and facilities, with lease terms through June 2007. Total rental expense for all operating leases was approximately $254,000 and $221,000 in 2003 and 2002, respectively.

Future minimum lease payments under operating leases that have remaining terms in excess of one year as of April 30, 2003 are:

Year ending April 30:	
2004	$ 148,920
2005	146,370
2006	145,520
2007	145,520
2008	17,810
	$ 604,140

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

NOTE 7 – CAPITAL LEASES

During 2003 the Service leased certain equipment for the Hospital with lease terms through March 2008. The gross amount of equipment recorded under capital leases totaled $899,907 at April 30, 2003. Amortization of assets held under capital leases is included with depreciation expense. Amortization expense is provided using the straight-line method over the estimated useful lives of the assets. Total amortization expense was approximately $125,000 for the year ended April 30, 2003.

FNS, INC. AND AFFILIATES
NOTES TO THE COMBINED FINANCIAL STATEMENTS
April 30, 2003 and 2002

NOTE 7 – CAPITAL LEASES (CONTINUED)

The future minimum lease payments under capital leases and the net present value of the future minimum lease payments are as follows:

Year ending April 30:	
2004	$ 212,981
2005	179,496
2006	179,496
2007	179,496
2008	48,764
Total future minimum lease payments	800,233
Less amounts representing interest	30,975
Present value of future minimum lease payments	769,258
Less current portion	197,724
Long-term portion	$ 571,534

NOTE 8 - NOTES PAYABLE

Notes payable consists of the following at April 30:

	2003	2002
Note payable to bank: due September 16, 2004; interest at 7.65%; due in monthly installments of $931, including interest, collateralized by two 1999 Nissan Pathfinders	$ 14,947	$ 24,557
Note payable to bank: due July 10, 2005; interest at 9.52%; due in monthly installments of $398, including interest, collateralized by a 1999 Chevy Blazer	9,637	13,303
Note payable to bank: due in full on November 30, 2003; interest at prime due quarterly; collateralized by a trust account held with bank	190,000	190,000
Note payable to bank: due December 1, 2005; interest at 9.48%; due in monthly installments of $931, including interest; collateralized two 1999 Chevy Blazers	12,741	16,749
	227,325	244,609
Less current portion	208,820	207,287
Noncurrent notes payable	$ 18,505	$ 37,322

FNS, INC. AND AFFILIATES
NOTES TO THE COMBINED FINANCIAL STATEMENTS
April 30, 2003 and 2002

NOTE 8 - NOTES PAYABLE (CONTINUED)

The aggregate maturities of notes payable for years subsequent to April 30, 2003 are as follows:

Year ending April 30:	
2004	$ 208,820
2005	13,845
2006	4,660
	$ 227,325

NOTE 9 - BONDS PAYABLE

Bonds payable at April 30, 2003 and 2002 consist of the following:

	2003	2002
1997 FNS, Inc. and Leslie County, Kentucky Industrial Building Revenue Bonds, collateralized by certain equipment, various monthly principal payments with interest payments at 5.90% payable monthly 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	$ 99,073	$ 211,919

NOTE 10 - CONCENTRATIONS OF CREDIT RISK

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

The Service grants credit without collateral to its patients, most of who are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors at April 30, 2003 is as follows:

Medicare	14.2%	Commercial insurance	49.8%
Medicaid	22.6%	Self pay patients	13.4%

The Service's entire tuition receivable at April 30, 2003 and 2002 represents amounts due from students.

FNS, INC. AND AFFILIATES
NOTES TO THE COMBINED FINANCIAL STATEMENTS
April 30, 2003 and 2002

NOTE 11 - MEDICARE AND MEDICAID PROGRAMS

The Service participates in the Medicare and Medicaid Programs. For the year ended April 30, 2003, approximately 81% of the Service's net patient revenue was derived from services to patients covered by these Programs. The corresponding percentage was 77% for the year ended April 30, 2002.

Medicare:

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

NOTE 12 - 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 $149,900 in 2003 and $82,700 in 2002 related to the retirement plan.

NOTE 13 - SELF INSURANCE PROGRAM

The Service has a self-insurance program for hospitalization and medical coverage for its employees. The Service limits its losses through the use of stop-loss policies from reinsurers. Specific individual losses for claims are limited to $40,000 per year. One individual is excluded from this limit for the policy year beginning May 1, 2002; their stop-loss amount is $100,000. The Service incurred cost under the program of $658,336 in 2003 and $586,646 in 2002. Cumulative amounts estimated to be payable by the Service with respect to reported claims and incurred but not reported claims have been accrued as liabilities.

FNS, INC. AND AFFILIATES
NOTES TO THE COMBINED FINANCIAL STATEMENTS
April 30, 2003 and 2002

NOTE 14 - BOARD DESINGATED NET ASSETS

The Board of Directors has designated the following unrestricted funds to accumulate monies for the indicated purposes:

	2003	2002
Consolidated Fund	$ 5,577,549	$ 8,371,228
David D. Knox Fund	1,126,100	1,494,771
Mary Breckinridge Chair Fund	954,025	1,064,887
Whitman Library Funds	53,733	64,778
	$ 7,711,407	$ 10,995,664

NOTE 15 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

	2003	2002
Alice Adams Scholarship	$ 5,474	$ 7,934
Caroline Butler Atwood Memorial Nursing Center Fund	268,569	364,616
Charitable Gift Annuity Fund	171,424	193,551
Education Fund	5,086,546	5,901,354
Elizabeth Canby Bradford DuPont Memorial Fund	338,680	463,118
Endowment Fund	216,155	326,226
Friends Endowment	43,494	142,449
Hyden Hospital in Patient Care Fund	113,508	83,955
Jacob and Gertrude Arronson Memorial Scholarship Fund	14,575	5,553
Jesse Smith Noyes Endowment	215,449	226,869
Kate Ireland Education Fund	461,688	486,608
Kate Ireland Endowment Scholarship	140,423	153,296
Kate Ireland Women's Healthcare Center Fund	349,990	408,077
Kip Kelso Crist Fund	505,309	500,000
Kitty Ernst Endowment	32,032	26,057
Mardi Perry Scholarship Fund	41,197	41,172
Margaret L. Ferguson Memorial Scholarship Fund	17,105	13,862
Nancy B. Taylor Memorial Scholarship Fund	0	251
Restricted donations	182,959	346,944
Shockey/Bulkey Memorial Fund	76,197	151,270
Social Services Fund	81,267	116,910
Susanne Preston Wilson Grandin Memorial Scholarship Fund	0	2,822
	$ 8,362,041	$ 9,962,894

FNS, INC. AND AFFILIATES
NOTES TO THE COMBINED FINANCIAL STATEMENTS
April 30, 2003 and 2002

NOTE 16 - PERMANENTLY RESTRICTED NET ASSETS

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

Permanently restricted net assets are summarized as follows:

	2003	2002
Alice Adams Scholarship	$ 22,722	$ 22,722
Alice E. Whitman Memorial Library Fund	7,500	7,500
Anne P. Whistler Endowment	2,200,000	2,200,000
Beneficial interest in outside trust	1,626,457	1,772,000
Caroline Butler Atwood Memorial Nursing Center Fund	344,573	344,573
Elizabeth Canby Bradford DuPont Memorial Fund	376,217	376,217
Endowment Fund	140,820	140,820
Friends Endowment	48,476	48,476
Hyden Hospital in Patient Care Funds	34,732	34,732
Jacob and Gertrude Arronson Memorial Scholarship Fund	110,369	110,369
James Waller Rodes Memorial Trust	69,957	69,957
Kitty Ernst Endowment	47,701	47,701
Mardi Perry Scholarship Fund	37,023	37,023
Margaret L. Ferguson Memorial Scholarship Fund	36,951	36,951
Nancy B. Taylor Memorial Scholarship Fund	99,072	99,072
Nixon Billings Fund	105,155	105,155
Shockey/Bulkey Memorial Fund	165,511	165,511
Social Services Fund	41,925	41,925
Susanne Preston Wilson Grandin Memorial Scholarship Fund	30,318	30,318
Wigglesworth Chase Fund	50,000	50,000
	$ 5,595,479	$ 5,741,022

NOTE 17 - CONTINGENCIES

During the fiscal year ended April 30, 2003, the Service has been named as defendant in various lawsuits. The management of the Service considers the claims to be without merit, but believes the possibility exists that the plaintiffs may be awarded damages. As of April 30, 2003, the Service cannot estimate potential damage amounts but believes the potential impact on the financial position and future results from operations of the Service will not be material.

FNS, INC. AND AFFILIATES
NOTES TO THE COMBINED FINANCIAL STATEMENTS
April 30, 2003 and 2002

NOTE 18 - PRIOR PERIOD ADJUSTMENT

Temporarily restricted net assets at the beginning of 2002 have been adjusted by $6,811,368 to reflect assets held in the Education Fund previously reported as unrestricted board designated net assets. The correction has no effect on the results of 2003 and 2002 activities.

Report of Operations

The following is a comparative analysis of services provided at Mary Breckinridge Hospital during the two fiscal years 2002 and 2003.

	FYE 2002	FYE 2003
Percent of occupancy (30 beds)	30.2	40.3
Patient days (total)	4,967	4,417
Medical/Surgical	4,559	4,034
Skilled Beds	220	383
Admissions (total)	1,405	1,358
Medical/Surgical	1,292	1,318
Skilled Beds	25	40
Average daily census	12.1	11.1
Average length of stay	3.5	3.1
* Operations (total)	306	19
In-patient	100	0
Out-patient	206	19
Deaths	49	27
In-patients	36	10
Emergency Room	13	17
EKG procedures (total)	3,579	3,097
In-patient	1,021	996
Out-patient	2,558	2,063
Lab procedures (total)	167,973	149,226
In-patient	51,502	37,973
Out-patient	89,966	86,343
Referred in	26,505	24,910

** no surgeon on staff*

	FYE 2002	FYE 2003
X-rays (total)	12,354	11,055
In-patient	936	753
Out-patient	8,505	7,318
CT scans - in-patient	291	302
CT scans - out-patient	1,493	1,510
Ultrasound - in-patient	166	221
Ultrasound - out-patient	895	905
Mammograms	68	46
EEG procedures (total)	21	14
In-patient	6	4
Out-patient	15	10
Respiratory Therapy (total)	48,157	36,990
In-patient	41,119	32,560
Out-patient	7,038	4,430
Clinics (total)	38,145	19,919
Hyden	16,739	14,085
Womens Services	2,773	1,365
Beech Fork	3,880	2,732
CHC	2,317	1,728
Home Health visits (total)	18,984	15,882
Social Services (total)	1,747	1,708
In-patient	1,354	1,158
Out-patient	49	41
Home Health	344	244
Courier Program:		
Number of Couriers	3	5

Seventy-Eight Year Totals - Selected Data

Because there continues to be interest in these figures, we have reconstructed the essential information necessary to cover FNS' seventy-seven 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, 2003.

* Patients registered from the beginning in 1925 (including all clinics and emergency room)	507,541
* Maternity cases delivered	24,939
* 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.	593,512
* Number of midwives graduated including CNEP	1,536
* Number of CNEP students currently enrolled	141
* Number of CFNP students currently enrolled	32

TOTAL CONTRIBUTIONS

	YTD 2001-2002	YTD 2002-2003
Non-restricted	653,554	437,574
Restricted	141,860	69,322

IN MEMORIAM

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

IN MEMORY OF:

Charlotte Almitra
Lucy Almitra
Dr. W.B. Rogers Beasley
Edith E. Anderson
Dorothea Chase
Mr & Mrs. Theodore Chase, Jr.
Celia Coit
Elly Hoague
Mr. & Mrs. Robert A. Morris
Joy Phoenix
Ceclia S. Roop
Sally Weisberg
Shirley Ohl
M. E. Dowse
Mr. & Mrs. George Ferguson
Lawrence H. Gordon
Harold F. Hadden
James Lane
Kelly L. Lewis
Mr. & Mrs. John McSorley
Mr. & Mrs. Haskell Saxe
Mr. & Mrs. H. Leyard Smith, Jr.
Mr. & Mrs. William E. Ternes
Mrs. Dudley H. Willis
Horst Mendershausen
Mr. & Mrs. Thomas J. Hirschfeld

Polly Barger
Betty Pace
Suzanne Booker
Barbara K. Ackerman
Dorothy Grove
Colonel James T. Breckinridge
Helen Lorentzen
Anne M. Lorentzen
Hanna Higgins
Mrs. Charles Chapin, III
Mr. & Mrs. Peter Seybolt
Ceila Oseasohn
Sylvia Duby
Beatrice Sutton
Jerrilynn R. Blackwood
Phillip Vaughan
Betty Vaughan
Bernice Washburn
Hubert Bradburn
Mr. & Mrs. Thomas E. Huggard
Mr. & Mrs. Wiliam T. Lawrence
Elizabeth Rolle
Bruce Strader
Sharon Rolle

IN HONOR OF:

Barbara Post
Mrs. Charles W. Chatfield

FNS and Subsidiary Corporations

FNS, Inc:

Barb Gibson, *Assistant to CEO*
Jennifer Mercer, *Controller*
Kevin Couch, *Assistant Controller*
Beulah Couch, *Director of Human Resources*
Brent Swafford, *Plant Operations Manager*

Frontier School of Midwifery & Family Nursing (FSMFN):

Dr. Susan Stone, *President and Dean*
Dr. Julie Marfell, *Chair of Family Nursing/Executive Director of Frontier Nursing Clinics*
Dr. Susan Ulrich, *Chair of Midwifery & Women's Health*
Dr. Carol Panicucci, *Coordinator of Graduate Education*

Mary Breckinridge Healthcare, Inc:

Mallie Noble, *Administrator*
Linda Craft, *Director of Nursing*
Ashutosh Mishra, *Internist*
Madeline Tan, *Peditrician*
Roy Varghese, *Internist, Chief of Staff*

Frontier Nursing Healthcare, Inc.

Heidi Froemke, *FNP, Director of Rural Healthcare Clinics*
Linda Ahrens, *FNP*
Beverly May, *FNP*
Angela Mitchell, *FNP*

Debi Karsnitz, *CNM, Director of Midwifery Services*
Lynn Wilkening, *CNM*

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Mrs. Pendleton P. White, Savannah, GA
Mrs. Dudley H. Willis, Sherborn, MA
Dr. Emery Wilson, Lexington, KY
Mr. George Wooton, Hyden, KY

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Mrs. R. B. Campbell, Hyden, KY
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Mrs. James B. Holloway, Jr.,Lexington,KY
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National Nursing Council

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Dr. Helen Tirpak, New York, NY
Ms. Joyce Wiechmann, Sylacaug, AL
Dr. Carolyn A. Williams, Lexington, KY
Mrs. Elsie Maier Wilson, Gainesville, FL
Ms. Cora Winthrow, Lexington, KY

Form of Bequest

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

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

How Endowment Gifts May be Made

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

1. By specific gift under your Will - you may leave outright a sum of money, specified secruities, real property, or a fraction or percentage of your estate.

2. By gift of residue under your Will - you may leave all or a portion of your residuary estate to the Service.

3. By life insurance - you may have life insurance made payable direct to the Service.

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

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

Gifts of stock should be sent to:
Frontier Nursing Service
Mr. William Hall, Treasurer
Fifth Third Central Kentucky Trust
250 West Main Street, Suite 100
Lexington, KY 40507

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.

Emergency Room:	
Doppler	600.00
Home Health:	
Glucometers (5)	189.00
Digital Thermometers (12)	81.48
Fetal Doppler (1)	593.23
Hyden Clinic:	
Electronic Oral Thermometer (1)	250.00
Medical/Surgical:	
Portable Blood Pressure Cuffs (2)	150.00
Electronic Thermometers (2)	428.00
Radios for Swing Bed Patients (3)	60.00
CD Player for Swing Bed Patients (1)	30.00
Nursing Administration:	
CPR Manuels	150.00
ACLS Manuels	150.00
CPR Recertification Video	75.00
Rural Healthcare Clinics:	
Welch Allyn Ear Wash Stations (3)	927.00
Automatic External Defibrillators (3)	6,000.00

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:

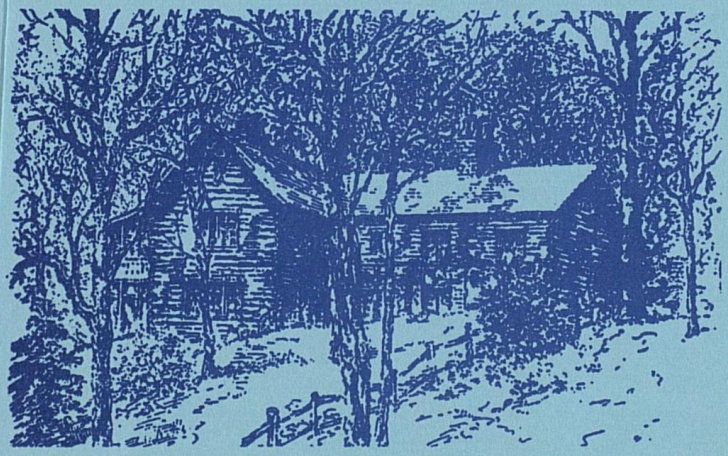
- ☐ The FNS Courier and Volunteer programs.
- ☐ Visiting and Touring the FNS.
- ☐ Books and other literature concerning FNS.
- ☐ Change of address.

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.

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FRONTIER NURSING SERVICE, Inc.

Its motto:

> "He shall gather the lambs with his arm and carry them in his bosom, and shall gently lead those that are with young."
>
> Isaiah 40:11

Its object:

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

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