



Eightieth Annual Report



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Cover: *Miss Jane Leigh Powell, Chairman of FNS Board of Governors
- June 13th Reception at the Mayflower Hotel, Washington, D.C.*

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The Journey

W.W. Hall, Jr. President & CEO



W. W. Hall, Jr., President & CEO of FNS, Inc.

Welcome to the Frontier Nursing Service. If you are new, we invite you to read the contents of this *Quarterly Bulletin (QB)* which will update you on the continuing progress of the Frontier Nursing Service. For those of you who read the *QB* faithfully, you will notice some changes in format and content. We have made an effort to model today's *QB* after Mrs. Breckinridge's in the early years. This includes "Beyond the Mountains" where Mrs. Breckinridge wrote of her travels and "Field Notes" where you can find tidbits of interest all across the organization. You will also find an update of our 80th Year Celebration events including a wonderful FNS history and "where we are today" presentation given at the Mayflower Hotel, Washington, D.C., by our Chairman of the Board of Governors, Miss Jane Leigh Powell.

Thank you, all of our faithful donors, for your continued support of our work, whether it be financially, or just a small word of encouragement.

Dr. Anita Cornett Joins Staff*by Barb Gibson*

We are pleased to announce that Dr. Anita Cornett, Board Certified Diplomat American Board of Internal Medicine, joined the staff at Mary Breckinridge Hospital (MBHC) and Frontier Nursing Healthcare (FNH clinics) during April this year. Dr. Cornett serves as the FNH Medical Director. From 1992 to April 2005, Dr. Cornett was in private practice at Christian Healthcare Services in Hyden. Christian Healthcare Services is now an FNH clinic with a new name, Christian Family Healthcare.

Dr. Cornett attended Georgetown College, Georgetown, Kentucky, where she obtained a Bachelor of Science in Chemistry. She obtained a Doctor of Medicine from the University of Kentucky College of Medicine and did her Residency in Internal Medicine at William Beaumont Hospital, Royal Oak, Michigan.

Dr. Cornett says that she loves to take care of the elderly which is challenging and consists of multisystem diseases. Dr. Cornett values the doctor/patient relationship. She serves as Medical Director at the Hyden Manor Nursing Home and sees patients at the

Laurel Creek Healthcare Center in Manchester, Kentucky. She also serves as voluntary teaching faculty at the University of Kentucky College of Medicine. Dr. Cornett has a special interest in osteoporosis and last fall became a Certified Clinical Densitometrist (CCD) which allows her to interpret DEXA scans.

Dr. Cornett says she grew up hearing stories about FNS and "the nurses" from her grandparents and was always fascinated with the story of Mary Breckinridge. As a teenager, Dr. Cornett's parents moved to Leslie County from Ohio and she has never wanted to leave. Dr. Cornett's goals are to provide excellent care to her patients, to listen, and to show respect and genuine concern for their needs. It is important to her that her patients trust her and know that she has their best interest in mind. Dr. Cornett wants FNS clinics and the hospital to be places in which the patients can have confidence.

Dr. Cornett is married to Brad Caldwell and has one daughter, Katie Caldwell, age 16, and one son, Bobby Caldwell, age 13. She enjoys reading, singing, playing piano and collecting Precious Moments figurines and baseball cards. She loves to travel, is very involved with her church, serves at a free clinic for the uninsured on Saturdays and works with Lifeline Ministry for addicts.

FNS Celebrates 80 Years of Service

Celebration/Fundraising Events Schedule

September 15, 2005, 5:00 pm - Ralph Stanley, a Bluegrass musician performance - The baseball field next to the Nixon Center in Hyden. The performance is an FNS tribute to the community.

September 30, 2005 - Community picnic held at the Mary Breckinridge Hospital parking lot in conjunction with the Mary Breckinridge Festival.

October 1, 2005 - Mary Breckinridge Festival Parade.

October 14, 15, 2005 - The Hallelujah Singers from Beaufort, South Carolina will be performing on Friday night, October 14th, 7:30 pm, at the Community Center in Hyden. Miss Jane Leigh Powell, Chairman of the Board of Governors, will speak at this event. The Hallelujah Singers will also perform at the Frontier School of Midwifery & Family Nursing graduation ceremony at the Community Center on October 15th, 3:00 pm.

See next page for 80th Celebration Events Update.

For more information contact Barb Gibson, 606-672-2317/
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FNS 80th Year Celebration Update

On Monday, June 13, 2005, the Frontier Nursing Service hosted a reception to celebrate 80 years of service in the Grand Ballroom of the Renaissance Mayflower Hotel in Washington, D.C. Approximately 150 guests attended this wonderful event. Both old and new friends of the FNS were greeted. Jane Leigh Powell, Chairman of the FNS Board of Governors opened the festivities with an eloquent presentation of the early years of FNS and the legacy Mary Breckinridge started in 1925. Miss Powell also shared some of her personal experiences of her 50+ years of involvement with the FNS and closed her address with our present day successes.

The recently released FNS 80th Celebration DVD was then shown. This professionally produced DVD highlights the many facets of FNS and tells of how the vision of Mary Breckinridge continues today.

Mr. W.W. Hall, Jr., President & CEO of FNS, Inc., continued Miss Powell's discourse on the healthy state of FNS and informed the large audience of our plans to focus on our hospital and five healthcare centers in the years ahead. Dr. Susan Stone, who had just received the title of "Fellow" by the ACNM, spoke of the major accomplishment of the Frontier School of Midwifery and Family Nursing for the past year with the full accreditation to offer a Masters of Science in Nursing degree.

Between Miss Powell's heartfelt renditions of our past to Mrs. Kitty Ernst's wonderful stories, the event was a complete success. Support for the FNS was very strong from those who attended. The memory of Mary Breckinridge was acknowledged by the awarding of the 10,000th Certified Nurse Midwife certificate to Miss Powell, Mr. Hall and Dr. Stone. Our presence was felt in Washington and we believe that this event will benefit the FNS for many years to come. - *Michael Claussen, Courier/Development Coordinator*



Among old friends attending the Mayflower event was (left) *Elsie Maier, a 1963 FSMFN graduate and staff midwife at FNS, and Dr. Susan Stone*



June 13th 80th Celebration event at The Grand Ballroom at the Mayflower Hotel

FNS 80th Year Celebration Update - Cont'd
The Early Years and Where We Are Today

by Jane Leigh Powell, Chairman of Board of Governors

The following are excerpts from a presentation by Jane Leigh Powell at the June 13, 2005 80th Celebration Reception held at the Renaissance Mayflower Hotel in Washington, D.C. Parts of this presentation were taken from FNS Quarterly Bulletins.

Welcome to the celebration honoring the 80th anniversary of an extraordinary organization. In gathering my thoughts on what to say, I was drawn to the very beginning of the FNS and how it is that we're here 80 years later.

“Notwithstanding the advanced public health work done in many parts of the United States, which has resulted in the prolongation of human life and greatly decreased mortality from preventable disease, statistics show that our mortality from childbirth is higher than in any other civilized country. The sixteen other countries that have lower death rates have no better medical and nursing service than ours, but they all have what we conspicuously lack, a large body of qualified midwives, trained and supervised. Although we also use midwives for about thirty percent of our confinements, we have not brought them abreast of the times except in one or two of the large cities. So that while we could not conceive of eighteenth century surgery for our young soldiers, we continue to supply eighteenth century obstetrics to our young mothers and have lost more women in childbirth in our history as a nation than men on the field of battle, and over a hundred thousand of our youngest and most defenseless citizens pass annually from one dark cradle to another with hardly a gap between.

The same system that has effected such marked reductions in the maternal and infant death rate in other countries, viz: that of substituting trained and supervised midwives for untrained ones, could effectively be used in meeting the needs in our isolated rural areas, especially as carried out in Great Britain with its similar language and traditions.

In many parts of rural Kentucky are to be found pure Anglo-Saxon folk, living under conditions similar to their kins people in the British Isles, but entirely lacking the trained service described above." (Introduction first QB June 1925).

To meet this need the Kentucky Committee for Mothers and Babies met at the call of Mrs. Mary Breckinridge, on May 28, 1925, at the Capitol Hotel, Frankfort, Kentucky, to form an organization and elect its executive officers. Mrs. Breckinridge, the first speaker, outlined briefly the character of the work to be undertaken, and said that it would be carried forward from special nursing centers where each nurse-midwife would give midwifery, nursing and public health care to an area no larger than she could handle well on horseback with not more than fifteen hundred people. Stress would be laid on the prenatal period, the care in childbirth and after care of mother and baby, and the further needs of the young child - treating the other phases of public health nursing as valuable but secondary aspects of the work. She said that the nurses chosen would need to have, in addition to their general hospital and public health training, a few months special preparation as midwives similar to that which she had obtained in England.

Mrs. Breckinridge said further that a mountain county had been selected for this initial demonstration, not because the problem was peculiar to the mountains, but for the following reasons: 1) the mountains presented an intensification of the problem and it was more sporting to begin there; 2) the native population in the mountains had a very high average of ability and was of the greatest possible value to the nation; and 3) the picturesque appeal of the mountains would draw a more ready response in getting the work under way.

Resolutions: 1) that the name of this association shall be the Kentucky Committee for Mothers and Babies; 2) that its purpose is to safeguard lives and health of mothers and young children by providing trained nurse midwives for rural areas where there are no

resident physicians; 3) that the value of this service shall be demonstrated first in a given county, (Leslie having been selected by permission of the State Board of Health); 4) that accurate records shall be kept, and the work begun with a survey in cooperation with the State Board of Health, to obtain one hundred percent registration of births and deaths in a given county, in order that the value of the service in terms of human life may be established.

Its motto became 'He shall gather the lambs with his arm and carry them in his bosom, and shall gently lead those that are with young'."

So, a survey was conducted in Leslie County, which measured about 376 square miles approximately 10,000 inhabitants. The work began with the main focus not only on the care of mothers and babies and lowering the mortality rates of both, but also on conditions such as diphtheria, typhoid, anemia, malnutrition, parasites, TB, gunshot wounds. Another serious problem was burns, which little girls in their dresses suffered when they stood too close in front of fires to keep warm. Mary Breckinridge's dream was that her vision would spread roots "like the Banyan tree of the forest, yielding shade and fruit to the wide neighborhoods of men."

Mary Breckinridge immediately began seeking donors to her work and the list of those who responded reads like a who's who in America. Her wealthy friends in the east and midwest saw a movement in healthcare delivery that could spread throughout the country and the world. This was shared by doctors and nurses and letters of inquiry came from all over the world. One in particular, delivered by mule back mail, was addressed "Pioneer Midwives Association, Kentucky" from South Africa. Another addressed FNS, Kenya, Africa, had written across the envelope, "try Kentucky, USA."

The area grew, the patients increased, six out-post centers were built and Hyden Hospital opened its doors in the summer of 1928. Also, the same year, the name of the organization was changed to the Frontier Nursing Service. The reason for the change lies in the fact that our work is not local in its application. The conditions we are endeavoring to meet in Eastern Kentucky exists among millions of Americans in isolated areas in a number of other states where the difficulties of a frontier existence still prevails (QB February 1928).

Most, if not all, of the nurses were midwives having trained in England. Some of the American nurses were given scholarships to train in England and return to the mountains. In the fifth year of operation, there were 31 nurses on the staff, an amazing number when you realize that the salary was only \$150 per month. In addition, the nurses at the out-post centers were given \$50.00 per month for expenses, not only for themselves but also for the cost of their horses and cows.

The year 1928 also saw the beginning of the Courier Service, fashioned after the volunteers who drove all forms of transport in France for the American Committee for Devastated France after World War I. During her years in France, Mrs. Breckinridge realized the value of these young volunteers and years later, offered summer jobs to young women (and men). They were responsible for the care of all the horses which were the only transportation for the nurses and guests arriving or departing at the railroad station in Hazard, a seven hour ride.

Years later in the 1960's, when coal trucks drove too fast and too over-loaded on the roads, horseback riding became too dangerous and so jeeps replaced the horses. The first jeeps were second hand Army vehicles bought from the US Army. Horses were kept for recreation for the off duty nurses and there is no more beautiful trail riding than the mountains of Eastern Kentucky.

In 1929, The Kentucky Association of Nurse Midwives was incorporated and its logo was a Kentucky Cardinal surrounded by the words "Life is the gift of God." It had 16 chartered members - all FNS staff, as they were the only nurse-midwives in the U.S. In 1941, it became the American Association of Nurse Midwives (AANM), and in 1955 the AANM became a member of the International Confederation of Midwives. The AANM met annually at Wendover with some prominent leader in the field of obstetrics or gynecology as the guest speaker.

In 1955, the American College of Nurse Midwifery (ACNM) was incorporated and so it seemed only natural that the AANM and the ACNM should get together, which they did in 1969 with the merger being called the American College of Nurse Midwives. The corporate seal of the College was redesigned and shows the date 1929, when the professional organization for nurse-midwives was formed. Helen Browne, Mrs. Breckinridge's successor, and who Mrs. Breckinridge said was "the most brilliant teacher we ever had, the most lucid in importing knowledge," wrote after the merger, "It is with some degree of sadness that we say farewell to the Kentucky Cardinal on the seal of the AANM. This little bird reminded us throughout the 41 years that "Life is the gift of God."

In 1932, when the national maternal death rate was still deplorably high, Dr. Louis Dublin of the Metropolitan Life Insurance Company, who tabulated the first 1,000 maternity cases of the FNS wrote: "The study shows conclusively what has in fact been demonstrated before, that the type of service rendered by the Frontier Nurses safeguards the life of mother and babe. If such service were available to the women of the country generally, there would be a saving of 10,000 mothers' lives a year in the United States, there would be 30,000 less stillbirths and 30,000 more children alive at the end of the first month of life." (QB Summer 1932). Years later when the first 10,000 maternity cases were tabulated by Metropolitan Life, the results showed a maternity mortality rate of 9.1/10,000 when the U.S. rate was 34/10,000 and the neonatal mortality was 17.3/1,000 compared to 20.5/1,000 in the U.S.

In 1939, when World War II started and eleven English nurse-midwives returned to Britain, Mrs. Breckinridge's dream of starting her own school to train nurse-midwives became a reality. The Frontier Graduate School of Midwifery took shape quickly, caused by the necessity of training her own, due to the loss of the wonderful nurse-midwives who began the service with her. Again her thoughts: "my liking to begin small, take root, and only then start to grow." It opened in November 1939 with two students, who were already working in Hyden Hospital.

The Health Commissioner for the Commonwealth of Kentucky had authorized the creation of the Frontier Graduate School of Midwifery and told Mrs. Breckinridge to run it like those in Great Britain and said he would arrange for impartial examinations similar to those conducted by the Central Midwives Board in England and Scotland. The Division of Maternal and Child Welfare took responsibility for the exams, oral, written and practical while State Board of Health gave a certificate licensing the graduates to practice Midwifery in Kentucky, with the title of Certified Midwife. After successfully passing these examinations, the students received a diploma of the school. It would be years before students sat for the ACNM exam which was required for licensure.

So, where are we today? In 1925, Mrs. Breckinridge hoped for an endowment of \$500,000. As of April this year, the endowment was \$21,500,000.

The first year's revenues were \$11,370, expenses were \$10,520. Today, the annual budget reflects revenues of \$18,968,000 and expenses of \$19,228,000 - a shortfall of \$260,000.

Hyden Hospital, built in 1928, had 16 beds. Mary Breckinridge Hospital, built in 1975 and now a critical access hospital, has 25 beds.

In the early years we sometimes had one MD. Now we have four full-time physicians.

Six out-post centers or clinics - two left and one new one added. Centers were consolidated when horses and mules became obsolete and roads increased in the mountains with more cars and trucks.

The Courier Program still exists with the focus changing from taking care of horses and driving guests to learning about medical and nursing care in rural areas. The rugged, rural, remote, roadless areas are a thing of the past.

There are 269 employees which include 49 nurses.

Along with caring for our patients, the Frontier Graduate School of Midwifery, now called the Frontier School of Midwifery and Family Nursing grows with each year and is now the largest school in the country with over 2,100 alumni.

In December 2004, the Southern Association of Colleges notified FSMFN that it is now accredited to offer a Master of Science in Nursing degree. This means our students no longer have to attend another university for their Masters and it also means that prior students, who didn't complete their Masters, can return to our school to complete that degree. The School has progressed from giving a diploma after a six month's course to granting an MSN.

Congratulations to Dr. Susan Stone, President and Dean of the School, Dr. Julie Marfell, Chair of Family Nursing and all their staff for achieving this outstanding accomplishment, of which Mrs. Breckinridge would be so proud.

The motto has stayed the same through all these years and its purpose was amended in 1931 and again in 1999 as it appears today on the back of the *Quarterly Bulletin*.

Of course, the service could never have survived and grown if it hadn't been for our loyal donors. Even during the Depression and stock market crash, Mrs. Breckinridge's friends continued to send money and there were times when there wasn't enough money in

the bank to pay the nurses' salaries. While her staff worried about the lack of funds, she had faith that money would be forthcoming and it usually did arrive. During World War II when horseshoes and diapers were so scarce, she went to Congress and said she absolutely had to have items like these to continue her work and she was successful. She had a hard time convincing officials that horseshoes were essential to childbirth.

Our donors today come from all over the world and some \$5.00 and \$10.00 donors remember FNS in their wills. We have received legacies from people we don't even know and some are anonymous.

If there were more time I could spend all evening talking about the FNS - from its humble beginnings to what it is today. Personally, I've been associated with the FNS for over 50 years, first as a Courier and now in my present position. I've been a Board member for 36 years and I am joined with a Board and a CEO that are as dedicated to the FNS as I imagine Mrs. Breckinridge's original Board of 12 were in 1925. They set a very high standard for us to follow and maintain and Boards, over the years, have continued to follow the foot prints laid down for us. The present five women and five men on the Board focus, primarily, on the care of mothers and children and the promotion and growth of the FSMFN.

Wendover, which was the only thing Mrs. Breckinridge spent her own personal money on, remains as beautiful as ever. It is not only home to the Couriers but also a Bed and Breakfast Inn. Many local groups hold meetings at Wendover and the Board of Governors have their Fall and Spring meetings in The Big House living room, with Mrs. Breckinridge looking down on them from her portrait over the fireplace. Her presence is felt and it is as if she is saying "I'm trusting you with my demonstration so you'd better continue to do it right." One can still hear her saying, when she talked about the FNS, "the glorious thing is, it has worked." We're an organization where the frontier never closes and, as one of Board members said, "Our frontier will never close until all mothers and babies are healthy and safe."

FNS 80th Year Celebration Update - Cont'd**Mary Breckinridge Awarded the 10,000th Certificate
by the ACNM Certification Council (ACC)**

On June 13, 2005, at the Frontier Nursing Service celebration of 80 years of service, the ACC awarded Mrs. Breckinridge the 10,000 certificate awarded in nurse-midwifery. This was a great honor that was well deserved. Dr. Nancy Lowe, an alumna of the FSMFN and currently the President of ACC made the presentation. Accepting the award were Dr. Susan Stone, President of the FSMFN, Miss Jane Leigh Powell, Chairman of the FNS Board of Governors, and Mr. W.W. Hall, Jr., President and CEO of FNS. Below are Nancy's words as she made the presentation.



*Dr. Nancy Lowe, Dr. Susan Stone, Miss Jane Leigh Powell,
W. W. Hall, Jr.*

Staff and alumni, and distinguished guests, I am privileged to serve as the current President of the ACNM Certification Council, ACC, soon to become the American Midwifery Certification Board. In 2002, ACC awarded the 10,001st nurse-midwifery/midwifery certification. At that time, the ACC Board of Directors decided to hold out certificate number 10,000 to award ceremoniously at the time of the 50th Anniversary of the American College of Nurse-Midwives.

The decision of who should receive the 10,000th certificate number was an easy one for the ACC Board to make. I distinctly remember that board meeting when the decision was made. As the Board President, I asked the question "Who should receive the 10,000th certificate or how should we go about choosing the individual?" There was a momentary pause and then, almost simultaneously several of the CNM members of the Board said "Mary Breckinridge" with immediate enthusiastic affirmation by the other members of the Board. Our decision was made in a matter of minutes.

My own story illustrates the ongoing effect that Mary Breckinridge has on both the care of underserved women and their families and the profession of midwifery. I read "Wide Neighborhoods" in 1975 as a graduate student in a maternal-child health nursing master's program that had a major emphasis on community-based care and outreach. I was deeply affected by the account of Mrs. Breckinridge's work to improve the health and well being of underserved women and their families through community-based midwifery care, by her personal story of loss, and by her resolution to serve. I was a young mother myself at the time and remember distinctly saying in jest, but at the same time with a deep-seated longing, to my dear husband that he could have the three kids, the dog and the house, I was going to KY to become a nurse-midwife. Thankfully, a number of years later after I earned my doctoral degree, I was finally able to fulfill that dream (without abandoning my own children and husband) by becoming a nurse-

midwife and FNS alumna through the CNEP Program, Class 4. My story is a minor illustration of the multitude of nurse-midwives and midwives whose personal journeys in midwifery have been directly influenced by the legacy of Mary Breckinridge.

Miss Powell, Mr. Hall and Dr. Stone, on behalf of the ACNM Certification Council it is my humble honor to present to you this certificate that reads:

In honor and recognition of her leadership in the development of
American nurse-midwifery through the healthcare services
And educational programs of
The Frontier Nursing Service and
The Frontier School of Midwifery and Family Nursing,
The ACNM Certification Council, Inc. posthumously awards

Mary Breckinridge

Certificate number 10,000

Therefore acknowledging her as a Certified Nurse-Midwife

June 13, 2005

*Nancy K. Lowe, CNM, PhD, FACNM, FAAN
President, ACNM Certification Council, Inc.*

FNS 80th Year Celebration Update - Cont'd

Kitty Ernst is Awarded Outstanding Alumnus at FNS 80th Celebration in Washington, D.C.



Kitty Ernst

This year, the FNS Foundation provided an award for outstanding accomplishments by a FSMFN Alumnus. A committee of three alumni was formed to review the nominations. They chose Kitty Ernst. The award was given at the 80th celebration reception in Washington, D.C. on June 13, 2005. Kitty was really surprised. There is no person who deserves this award more.

The following is the nomination letter submitted by Kathryn Osborne, Frontier School of Midwifery & Family Nursing Alumni, Class 3 (see next page).

**Nomination for Kitty Ernst
FNS Outstanding Alumni Award 2005**

I'm not exactly certain of the year Mrs. Ernst graduated from FNS (Editor: October 1951). I've known Kitty for almost 15 years, and have had the privilege of hearing many stories about her work with FNS, including the time she spent as a student under the tutelage of Mary Breckinridge. I can say, with utmost certainty, that Kitty has committed her life to the mission of FNS. Kitty came to FNS as a young nurse – looking for a way to combine her love of horses with her work as a nurse. She had worked previously as an obstetrical nurse, and was fairly certain that she was not interested in working with women in labor and birth. She had seen only the medical management of obstetric care, and knew that she wanted no part of that. So when she learned that she needed to be a midwife with a nursing district in order to get a horse, she was ready to leave FNS and return to her work in the city. Fortunately, Mrs. Breckinridge saw the budding nurse-midwife in Kitty, and suggested that she attend a home birth with one of the midwives before making the decision to return home.

Over the years, hundreds of Kitty's students have heard the rest of that story, which she tells with absolute eloquence. We all know that the young Kitty Ernst witnessed, in those midwives, the delivery of maternity care in a model that she instinctively knew was better for mothers and babies. We also know that with the limited number of opportunities for the practice of nurse-midwifery, staying to complete her education as a nurse-midwife meant taking a leap of faith.

After graduating from The Frontier Graduate School of Midwifery, Kitty went on to bring health care to the women of Appalachia. From there, she went on to teach in various midwifery education programs and ultimately found her niche within the Birth Center. She knew that just as the midwives were offering a better model of care for the women of southeastern Kentucky, so too could

nurse-midwives, working in birth-centers, offer a better model of care to women all across the nation. And because the birth-center concept was outside of "main-stream" thought when it came to the delivery of obstetrical care, making a commitment to the development of birth centers necessitated taking another leap of faith. Thank goodness she took that leap. She worked hard to establish the National Association of Childbearing Centers, and provided support to hundreds of nurse-midwives who went on to open birth centers. Those midwives continue to provide care to thousands of families, in the spirit of Mary Breckinridge who dedicated her life to providing better care to mothers and babies.

In the late 1980's Kitty took the ultimate leap of faith. With the help of several organizations and many supportive colleagues, she breathed new life into the Frontier School of Midwifery and Family Nursing by restructuring it as the Community-based Nurse-midwifery Education Program (CNEP). For a brief period, the School was headquartered in her back yard, under the watchful (and mighty critical) eye of the American College of Nurse Midwifery (ACNM) Division of Accreditation.

The School attained preaccreditation status in 1989, and since then it has gone on to offer the finest midwifery education in the nation to over 1,000 nurse-midwives. Most of the students of the CNEP were like me: unable to relocate for school, trying to make the best of jobs that were deeply imbedded in the medical model of care, knowing in our hearts that surely there was a better way to deliver care, and wishing desperately that we had access to an education in nurse-midwifery.

I'm certain that I speak for many graduates of the program when I say thank goodness Kitty took that leap of faith. She knew that there were nurses in practice who would seek midwifery education if they did not have to relocate for school. Despite the criticism of many academicians in nurse-midwifery who said that distance learning in midwifery would never work, she knew that it would. Much like Mrs. Breckinridge, she is a visionary of the

highest order. And because of the distance learning that was made available through CNEP, Mrs. Breckinridge's vision to bring better health care to wide neighborhoods of men and women has come true, for thousands of families who are cared for by FNS graduates throughout the nation and around the world.

I'm sure I've left out many of her accomplishments. Those that I have listed here offer only a glimmer of Kitty's life as an alumnus of FNS. In addition to creating opportunities to improve options and access to health care, and increasing access to midwifery education, Kitty has been a tremendous role model. She has taught her students never to be satisfied with the status quo when we know that there is a better way. She has taught us that change is difficult – and that when change means improvement it is worth the struggle. She has taught us that in order to get where we want to go, we must “just do it” – take that leap of faith, and has instilled in us the confidence in ourselves to do so. For these reasons, I recommend that FNS give Kitty Ernst the award for outstanding Alumni.

Respectfully submitted,

Kathryn Osborne MSN CNM and CNEP graduate

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

Life as a Courier

by Sarah Dotters-Katz

I arrived at Wendover on May 23, 2005, and departed on August 9, 2005. I could not have asked for a better experience than the one that I had while being a Courier. Everyday, I learned something new about an entirely new field, sometimes medical and other times totally unrelated to medicine at all. I had the privilege to shadow many great health care professionals. While shadowing Laura Mann-James, CNM, I attended my first vaginal birth where I was able to help support the mother's leg while she pushed. The day that I shadowed Janessa Johnson, FNP, at Community Healthcare Center, she taught me how to listen to her heart and lungs, how to look in her ears and throat, and even let me draw her blood. I really enjoyed shadowing Dr. Rauf in the Emergency Room as well. However, my favorite experience was my time with General Surgeon, Dr. Dana Edwards. After shadowing him twice in the Hyden OR and his clinic in Hyden, he invited me to Manchester where he performs longer, more intense surgeries. Dr. Edwards showed me anatomy and taught me as he operated, which made the experience that much more incredible.

In addition to shadowing, I was able to volunteer with Hospice and found my time with the Hospice patients to be very rewarding. The other Couriers and I volunteered at the Adult Learning Center, the monthly food pantry, and the Leslie County Library. I really enjoyed the days that I spent working with the Appalachian Service Project, where I used a table saw for the first time. The Couriers and I also spent 40 hours training to volunteer with the Rape Crisis Center in Perry County and I volunteered with their sister organization, the Children's Advocacy Center. Finally, the other Couriers and I, with the help and guidance of Dr. Julie Marfell planned, organized, and carried out "Campaign for Safe Kids". The opportunities that I had as a Courier have helped me to make career choices, to learn about this area and its culture, and to grow as an individual.

Beyond the Mountains

by Barb Gibson, Assistant to CEO

See FNS 80th Year Celebration Update for information regarding an event held in Washington, D.C. June 13th.

On June 26th 2005, John Hoskins, Computer Tech, Pam Smith, Business Office Supervisor, Kevin Couch, Assistant Controller, and I, set out on a venture to a **Dairyland Conference** held in Alexandria, Minnesota. Dairyland Healthcare Solutions is the company that produces the software Mary Breckinridge Hospital uses for their financial and patient records. The flight was relaxing and the weather was beautiful. When we arrived we attended a dinner held for all the clients where we had the opportunity to meet some of the other Dairyland customers. On Monday the classes started - Kevin and Pam attended classes related to the business and financial areas of Dairyland while John and I sat in on the technology related classes. The classes were very informative and it was nice to see the faces that belong to the names of the Dairyland people we speak with on the phone. Overall the trip was nice, the classes informative, and the knowledge we gained has already paid off. - *Frank Baker, Chief Information Officer*

September 9, Dr. Susan Stone will attend the American College of Nurse Midwives (ACNM) **Education Summit** held in Washington, D.C. The Summit is in response to growing concerns that the future supply of nurse midwives will not meet the expanding need for women's health and obstetric care in the U.S. particularly for vulnerable populations.

August 9-11, Kevin Couch, MBHC Assistant Controller, and Pam Smith, Business Office Supervisor, attended a **conference provided by Quorum Healthcare Resources (QHR)**, Brentwood, Tennessee, focusing on Chief Financial Officers (CFO's), HealthInformation Management (HIM) and Patient Financial Services (PFS), to improve staff performance in the Business Office.

During July, **Dr. Julie Marfell presented at the National Health Service Corp (NHSC) Ambassador Conference in Washington, D.C.** The Ambassador Program is sponsored by the NHSC and helps to identify students that may be eligible for scholarships and educational loan repayment options by providing primary care for the underserved after graduation. Dr. Marfell presented "On the Frontier", a discussion of the work of the Frontier Nursing Service, past and present.

Field Notes

May 18th, 19 members of the National Advisory Council for the **Professional Music Program** stayed at Wendover. A school of music is being proposed for Hyden to open during the fall 2007. Also, on June 26th, 19 writers toured Wendover and enjoyed lunch at The Big House. The tour was part of the Great American Forest Press tour sponsored by Geiger & Associates Public Relations.

Repairs at Wendover over the last couple of months included heating and air conditioning repair at The Big House; a very difficult tree was taken down behind the Hurricane Barn; the roof on the water cistern above The Big House was replaced (although the cisterns are not in use, we replaced the roof for safety); wooden rails and outside furniture received a new coat of stain; the Hurricane fencing project was completed; a heating/air conditioning unit was installed at The Livery; brush was cut on the hill next to the Barn and new landscaping will be done throughout all the grounds. Three huge beech trees located on the hill next to Pig Alley were removed, all three were very decayed.

Guests at Wendover from May 1 - August 31 included 143 overnight guests; luncheons and dinners were served to 386 guests; 80 people attended functions at The Livery, e.g. baby showers, birthday parties, etc; 35 people attended meetings held at Wendover; Tours were given to 408 people - **total number of visitors at Wendover was 1,052.**

A great deal of excitement has been centered on the accomplishments of an **Employee Fundraising Campaign** at the Mary Breckinridge Hospital where employees have raised, along with some private donations, nearly \$14,000 toward the renovation of hospital patient rooms.

The **parking lot at Mary Breckinridge Hospital** was recently resealed and the fast growing kudzu vine is almost under control behind the Hospital through cutting and spraying.

Former Courier ('78) **Theresa McCann and her daughter Mary**, recently visited Wendover on their way back home to West St. Paul, Minnesota.

Former Courier ('04) **Julie Voelker** visited Wendover August 11th for a few days.

Attention former FNSers

Mrs. Kitty Ernst is asking for the donation of a winter uniform jacket with the FNS logo on the shoulder, a pair of FNS saddlebags and historical photographs of district nurses. If anyone has any of these items to donate they will be most appreciated and will be placed at the old Beech Fork Nursing Center as part of the restoration project.

FNS was recently awarded a multi-year grant from The Thompson Charitable Foundation in the amount of \$200,000 to be used for the purchase of hospital and clinics equipment. This gift will greatly enhance our efforts to renovate the hospital to serve our patients and families better.

The Thompson Charitable Foundation has a long history of giving generously to the Frontier Nursing Service. During 2004, the Foundation contributed \$12,000.00 to kick off renovations of the Hurricane Workshop. The Workshop was renovated into a beautiful multi-purpose conference center known as The Livery located around the corner from our historic headquarters at Wendover. This facility, completed in November of 2004, has been utilized for special community events, retreats and dinner meetings, just to name a few of its many benefits. The Foundation has been affiliated with FNS for many years prior to 2004 and has assisted with equipment for the Mary Breckinridge Hospital.

Special thanks to Monica Luke, Foundation Manager, who played a very important role in FNS being awarded the recent grant. We cherish our relationship with Monica and The Thompson Charitable Foundation and hope to continue that relationship for many years to come.

Life as a Clinician in Southeast Kentucky

by Laura Mann-James, CNM

Greetings from the home of nurse-midwifery in the U.S! Please allow me to introduce myself. My name is Laura Mann-James, CNM, and I'm "from off".....northern Ohio by way of New Mexico, to be exact. I joined the Frontier faculty practice and moved to Manchester last March. I've been asked to share a few thoughts on my life as a clinician here in southeast Kentucky, and although it will be difficult to distill this rich and varied experience into a few paragraphs, I'm going to make the attempt.

After a sweltering end of July, we are occasionally getting some weather in which a person can stand to be outdoors. A good deal of nurse-midwifery care for pregnant women in the Appalachian summer involves reminding each one of our clients to stay cool enough and carry extra water everywhere.

We've had some wonderful births this past year. I was privileged to attend two particularly memorable ones. The first, many months ago, will stand out as the funniest I've ever experienced. I rarely think of labor and birth as occasions for hilarity, but this lovely couple having their second baby joked all the way through. The mother brought her sister, who was also expecting at the time. At one point, this laboring mom needed the pad underneath her to be changed. Due to epidural anesthesia, she could not lift up off the bed much at all to assist. The mom managed one small lift but then descended rapidly. Her nurse, having reached forward to move those linens around, ended up slightly pinned, her top half nearly flat on the bed. My client's sister, observing these proceedings, quipped "Congratulations, _____, it's a nurse!" A handsome little boy was the result of all this happy work, and I imagine that keeping on the sunny side will come pretty easily to him.

Another very different but quietly joyful birth was that of a client who was having her first baby and was very anxious. Like many

young women in this country, she was trying to adjust to pregnancy and all the new experiences of prenatal care in the context of a personal history of sexual abuse. I wasn't sure how she would cope with her labor and birth, since she had a difficult time tolerating most forms of touch in the office (including, to some extent, measuring her growing uterus and assessing her baby's position). During her labor, I was so very impressed with her. She was able to verbalize her needs well, and stayed emotionally present throughout her labor. She was able to tolerate a few needed cervical checks by making choices about their timing and her own positioning for them. During pushing, once she realized she really WAS making progress, she even directed me in how to help her best. She had a lovely birth of a healthy baby with no stitches required. She had been dreading the idea of sutures, so was delighted that she didn't need any. I trust that our many months of talking, listening, reassuring and information-sharing during visits helped her better tap into her own considerable strength during her baby's birth.

During the past year in our Hyden office we've seen several pregnant women who are involved in narcotics addiction treatment at the methadone clinic in Hazard. They referred each other to our practice and have commented on how well we treat them. We have been pleased to be a resource for these women, who need quality prenatal care that is also supportive of their recovery.

In late July, we hosted Julie Goodwin, a reporter from National Public Radio (NPR) who is doing a report on midwifery in southeast Kentucky. She spent the day with Elissa Miller, Director of Midwifery Services, and I, and met with Dr. Susan Stone, and some area mothers (including FNS's multimedia team leader, Heather East) who have had their babies with nurse-midwives. Thanks to the generosity of the women we serve, she was also able to interview some of our current clients. We are looking forward to hearing this story, which should be broadcast state-wide on public radio stations.

The Future of Nurse-Midwifery Education

by Kitty Ernst

The American College of Nurse-Midwives (ACNM) is conducting a summit on midwifery education this fall. I have been asked to put down some of my thoughts about the future of midwifery in the United States. I thought it appropriate to share some of these thoughts with those who are interested in the Frontier Nursing Service because it has bearing on the mission of the Service and the School. Some of the points I have addressed are:

The need to think globally: The United States has about the best midwifery education in the world. With the success of the internet curriculum developed by Frontier and the extensive experience of ACNM's international involvement, we could become a leader in preparing educational programs, particularly for the underdeveloped countries.

The need to control costs of education: In order to keep costs down, volume must go up. Too many schools are admitting too few students. We need to conserve our financial, faculty and clinical resources by consolidating and regionalizing our educational programs.

The need to open up clinical teaching sites: The biggest barrier to the growth of midwifery in the U.S. is the availability of clinical sites for teaching. Historically, student midwives have stood at the end of the line of medical students, interns and obstetrical residents. Obstetricians are essentially trained as surgeons. In almost every other developed country midwives attend up to 80% of the births leaving only the complicated labors to obstetricians. The maternal and newborn outcomes of birth in those countries are better than those of the U.S. and the cesarean rate is significantly lower. Our national cesarean section rate is now at 27% and climbing. It is reported to be already 50% in some hospitals.

Childbirth is the most frequent hospital admission and takes the biggest bite out of the employer health insurance dollar. The birth centers have demonstrated that women in pregnancy can be screened for safe birth outside of the acute care hospital and that there are great advantages to doing this for mother and baby. For the mother, it becomes a source of empowerment to learn that she can give birth. For mother and baby, that precious period of uninterrupted close contact has ramifications yet to be fully studied. (97% of birth center mothers breast feed). Mary Breckinridge would be pleased with what birth centers have demonstrated. However, the Community-based Nurse-midwifery Education Program (CNEP) was started because we did not have enough midwives to work in birth centers and none of the educational programs prepared them for working in birth centers. Fifteen years later, Frontier is still the only school with a four-credit course on the Role of Midwives and Birth Centers.

In spite of a growing demand from women for midwifery care, and in spite of all the efforts of consumer organizations to stem the medicalization of birth, it will not be done until we can produce enough midwives to relieve obstetricians of the care of healthy women undergoing a healthy, normal human process. Further, the growing need for the gynecological care of an aging population makes it imperative that we begin to seriously look at why we do not have midwives for all women in this country and do something about it. However, it is improbable that this shift from obstetrical care to midwifery care for the healthy population of childbearing women will be accomplished until we do something about the flow of money for education starting with the federal tax dollars allocated through Medicare to obstetrical residency programs. In order to produce midwives we must have clinical teaching sites. We need to put a significant portion of the money allocated to support obstetrical residency programs into training midwives. The goal must be to train every obstetrical nurse in midwifery and I have proposed a scheme for doing this.

The interest in the specialty of obstetrics has declined over the past few years. Instead of seizing this opportunity to establish midwifery residencies where midwives and obstetricians would learn side by side from one another, institutions imported physicians to fill those slots. When I questioned one Chief of Obstetrics about why, since there was a school of midwifery at his university, he did not shift some of these resources and expand midwifery education, he said that hospital administration would not allow that since the money was earmarked for physicians only. Everything in America moves on the dollar.

There is much to be done if we are to take midwifery into its rightful place in the delivery of care to women and childbearing families. The economic savings for doing this are well documented. The savings in human suffering have continuously been documented since those first reports by Mary Breckinridge. For those of you who read this *Bulletin*, whether a professional care provider, a politician, an employer paying for employee health care, a foundation or a mother, I welcome your thoughts on what I have shared with you. I may be reached at kittyernst@comcast.net

**EIGHTIETH ANNUAL REPORT
OF
THE
FRONTIER NURSING SERVICE**

For the Fiscal Year May 1, 2004 to April 30, 2005



**Independent Accountants' Report on Financial
Statements and Supplementary Information**

Board of Governors
Frontier Nursing Service, Inc. and Affiliates
Lexington, Kentucky

We have audited the accompanying consolidated statements of financial position of Frontier Nursing Service, Inc. and Affiliates (Service) as of April 30, 2005 and 2004, and the related statements of activities and cash flows for the years then ended. These consolidated financial statements are the responsibility of Service's management. Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Service as of April 30, 2005 and 2004, 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.

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The accompanying supplementary information, including the consolidating information, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The consolidating information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, changes in net assets and cash flows of the individual organizations. The supplementary information has been subjected to the procedures applied in the audits of the basic consolidated financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic consolidated financial statements taken as a whole.

July 20, 2005

BKD, LLP

Frontier Nursing Service, Inc. and Affiliates
Consolidated Statements of Financial Position
April 30, 2005 and 2004

Assets	2005	2004
Current Assets		
Cash	\$ 109,651	\$ 74,501
Receivables		
Patient, less allowance for uncollectible accounts; 2005 - \$651,320, 2004 - \$558,200	2,011,137	1,522,450
Student tuition, less allowance for uncollectible accounts; 2005 - \$55,000, 2004 - \$15,000	565,887	516,607
Other	15,564	22,006
Investments	17,460,359	17,332,957
Supply inventories	224,915	205,962
Estimated third-party payor settlements	634,044	258,140
Prepaid expenses and other assets	<u>504,729</u>	<u>312,979</u>
Total current assets	<u>21,526,286</u>	<u>20,245,602</u>
Property and Equipment, Net	<u>3,374,837</u>	<u>2,882,030</u>
Other Assets		
Beneficial interest in outside trusts	1,787,223	1,775,897
Investments held in perpetuity	3,956,521	3,956,521
Physician loan receivable	<u>320,000</u>	<u>—</u>
Total other assets	<u>6,063,744</u>	<u>5,732,418</u>
Total assets	<u>\$ 30,964,867</u>	<u>\$ 28,860,050</u>

See Notes to Consolidated Financial Statements

Liabilities and Net Assets

	2005	2004
Current Liabilities		
Accounts payable	\$ 1,144,707	\$ 923,506
Accrued expenses	1,856,002	1,827,300
Deferred tuition, students	785,268	744,297
Lines of credit	1,050,000	—
Current maturities of long-term obligations	494,257	410,422
Total current liabilities	<u>5,330,234</u>	<u>3,905,525</u>
Long-term Liabilities		
Long-term obligations, net of current portion	789,857	483,559
Lines of credit	1,022,850	—
Total long-term liabilities	<u>1,812,707</u>	<u>483,559</u>
Total liabilities	<u>7,142,941</u>	<u>4,389,084</u>
Net Assets		
Unrestricted	8,895,263	9,577,896
Temporarily restricted	9,182,919	9,160,652
Permanently restricted	5,743,744	5,732,418
Total net assets	<u>23,821,926</u>	<u>24,470,966</u>
Total liabilities and net assets	<u>\$ 30,964,867</u>	<u>\$ 28,860,050</u>

Frontier Nursing Service, Inc. and Affiliates
Consolidated Statements of Activities and Changes in Net Assets
Years Ended April 30, 2005 and 2004

	2005	2004
Change in Unrestricted Net Assets		
Revenues and gains		
Net patient service revenue	\$ 12,264,039	\$ 10,513,183
Contributions	1,390,416	423,699
Education revenues		
Tuition and educational fees	1,981,921	1,672,246
Federal grants	91,732	86,058
Other revenue		
Investment return	558,140	1,365,362
Other revenue	428,932	180,709
Net assets released from restriction due to satisfaction of program requirements	<u>482,783</u>	<u>551,198</u>
Total revenues and gains	<u>17,197,963</u>	<u>14,792,455</u>
Expenses		
Salaries, wages and benefits	8,154,638	7,522,661
Medical services, supplies and other expenses	6,459,958	6,036,498
Facility costs	2,039,142	1,811,713
Provider taxes	198,981	161,134
Provision for bad debts	<u>1,027,877</u>	<u>614,832</u>
Total expenses	<u>17,880,596</u>	<u>16,146,838</u>
Change in unrestricted net assets	<u>(682,633)</u>	<u>(1,354,383)</u>
Change in Temporarily Restricted Net Assets		
Contributions	38,641	120,188
Investment return	441,213	1,222,403
Change in annuity payable	25,196	7,218
Net assets released from restriction due to satisfaction of program requirements	<u>(482,783)</u>	<u>(551,198)</u>
Change in temporarily restricted net assets	<u>22,267</u>	<u>798,611</u>
Change in Permanently Restricted Net Assets		
Change in beneficial interest in outside trusts	<u>11,326</u>	<u>149,440</u>
Change in permanently restricted net assets	<u>11,326</u>	<u>149,440</u>
Change in Net Assets	(649,040)	(406,332)
Net Assets, Beginning of Year	<u>24,470,966</u>	<u>24,877,298</u>
Net Assets, End of Year	\$ <u>23,821,926</u>	\$ <u>24,470,966</u>

See Notes to Consolidated Financial Statements

Frontier Nursing Services, Inc. and Affiliates

Consolidated Statements of Cash Flows

Years Ended April 30, 2005 and 2004

	2005	2004
Operating Activities		
Change in net assets	\$ (649,040)	\$ (406,332)
Adjustments to reconcile change in net assets to net cash used in operating activities		
Change in beneficial interest in outside trusts	(11,326)	(149,440)
Provision for bad debts	1,027,877	614,832
Depreciation and amortization	741,335	667,425
Net realized and unrealized gains on investments	(423,385)	(2,071,752)
Gain on dispositions of property and equipment	—	(31,995)
Adjustment applicable to prior years	—	(1,053,900)
Changes in		
Patient and student tuition receivables	(1,565,844)	146,668
Other receivables	6,442	95,372
Supply inventories	(18,953)	5,487
Estimated third-party payor settlements	(375,904)	(985,139)
Prepaid expenses and other assets	(191,750)	125,977
Accounts payable	221,201	466,537
Accrued expenses	28,702	555,252
Deferred tuition, students	40,971	124,868
	(1,169,674)	(1,896,140)
Net cash used in operating activities		
Investing Activities		
Proceeds from sale of equipment	—	112,037
Purchases of property and equipment	(519,520)	(308,373)
Proceeds from sale of investments	6,515,452	8,967,277
Purchase of investments	(6,219,469)	(6,917,359)
Physician loan advances	(320,000)	—
	(543,537)	1,853,582
Net cash (used in) provided by investing activities		
Financing Activities		
Net borrowings under line-of-credit agreements	2,072,850	—
Proceeds from issuance of long-term obligations	190,000	—
Principal payments on long-term obligations	(514,489)	(336,674)
	1,748,361	(336,674)
Net cash provided by (used in) financing activities		
Increase (Decrease) in Cash	35,150	(379,232)
Cash, Beginning of Year	74,501	453,733
Cash, End of Year	\$ 109,651	\$ 74,501
Supplemental Cash Flows Information		
Cash payments for interest	\$ 121,009	\$ 54,759
Noncash Investment and Financing Activities		
Equipment acquired with capital leases	\$ 714,622	\$ 134,999

See Notes to Consolidated Financial Statements

Frontier Nursing Service, Inc. and Affiliates
Notes to Consolidated Financial Statements
April 30, 2005 and 2004

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Organization

Mary Breckinridge established the Kentucky Committee for Mothers and Babies in Leslie County, Kentucky, in 1925. The name later changed to the Frontier Nursing Service, Inc. and Affiliates (Service) in 1928. The Service's original purpose was to provide needed health care 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 Leslie County and the portion of surrounding counties comprising its service area. In 1939, the Service established a midwifery school. Today, FNS, Inc. (FNS) operates as a holding company for a midwifery and family nursing school, a real estate holding company, a hospital, a foundation and a system of rural health clinics which provide primary care services through the Dr. Anne Wasson Rural Health Center, the Kate Ireland Women's Health Care Center, Community Health Center, Beechfork Clinic and Christian Family Healthcare. The Service has historically been dependent on charitable contributions to fund a significant portion of the costs of services and programs.

Principles of Consolidation

The Service consists of the following nonprofit entities:

FNS – Parent holding company of the Service.

Mary Breckinridge Health Care, Inc. (MBHC) – Entity responsible for operating the hospital and home health agency.

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

Frontier Nursing Service Foundation, Inc. (Foundation) – Entity responsible for maintaining the investment portfolio of the Service and receiving contributions from donors.

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

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

Mary Breckinridge Home Health, Inc. (MBHH) – At May 1, 2005, MBHH became the entity responsible for operating the home health agency.

The consolidated financial statements include the accounts and transactions of the above entities. Intercompany transactions and accounts have been eliminated in consolidation.

Frontier Nursing Service, Inc. and Affiliates**Notes to Consolidated Financial Statements****April 30, 2005 and 2004*****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 consist of cash and highly liquid investments having an original maturity of three months or less. Cash equivalents held in trust accounts are classified as investments in the consolidated statements of financial position.

Patient Accounts Receivable

MBHC, FNH and MBHH report patient accounts receivable for services rendered at net realizable amounts from third-party payors, patients and others. MBHC, FNH and MBHH provide an allowance for doubtful accounts based upon a review of outstanding receivables, historical collection information and existing economic conditions. As a service to the patient, MBHC, FNH and MBHH bill third-party payors directly and bill the patient when the patient's liability is determined. Patient accounts receivable are due in full when billed. Accounts are considered delinquent and subsequently written off as bad debts based on individual credit evaluation and specific circumstances of the account.

Accounts Receivable – Student Tuition

Accounts receivable are stated at the amount billed to students. The School provides an allowance for doubtful accounts, which is based upon a review of outstanding receivables, historical collection information and existing economic conditions. Accounts receivable are ordinarily due 30 days after the issuance of the invoice. Accounts past due more than 120 days are considered delinquent. Delinquent receivables are written off based on individual credit evaluation and specific circumstances of the student.

Investments and Investment Return

Investments in equity securities having a readily determinable fair value and all debt securities are carried at fair value. Other investments are valued at the lower of cost (or fair value at time of donation, if acquired by contribution) or fair value. Investment return includes dividend, interest and other investment income, realized and unrealized gains and losses on investments carried at fair value and realized gains and losses on other investments.

Frontier Nursing Service, Inc. and Affiliates

Notes to Consolidated Financial Statements

April 30, 2005 and 2004

Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is included in unrestricted net assets. Other investment return is reflected in the statement of activities as unrestricted, temporarily restricted or permanently restricted, based upon the existence and nature of any donor or legally imposed restrictions. The board of governors designates unrestricted assets for special uses.

Supply Inventories

Medical supply and pharmaceutical inventories are stated at the lower of cost, determined using first-in, first-out method, or market.

Property and Equipment

Property and equipment are stated at cost and are depreciated on a straight-line basis over the estimated useful life of each asset. Assets under capital lease obligations and leasehold improvements are amortized over the shorter of the lease term or their respective estimated useful lives.

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 these trusts. Income received from such funds is included in unrestricted donations.

Deferred Tuition – Students

The Service provides graduate nurse-midwifery and family nurse practitioner education over a 24 to 36-month period (depending on full-time or part-time status) to eligible students. The School's policy is to recognize tuition revenue ratably over the term of the program for each student.

Estimated Malpractice Costs

An annual estimated provision is accrued for the self-insured portion of medical malpractice claims and includes an estimate of the ultimate costs for both reported claims and claims incurred but not reported.

Self-funded Health Care Plan

The Service maintains a self-insured health care plan covering substantially all full-time employees. Contributions are made to the administrator as health care claims are incurred and expenses are accrued as claims are made.

Frontier Nursing Service, Inc. and Affiliates
Notes to Consolidated Financial Statements
April 30, 2005 and 2004

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by the Service has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the Service in perpetuity.

Grant Revenues

Support funded by grants is recognized as the School performs the contracted services or incurs outlays eligible for reimbursement under the grant agreements. Grant activities and outlays are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required.

Net Patient Service Revenue

The Service has agreements with third-party payors that provide for payments to MBHC, FNH and MBHH 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.

Charity Care

The Service provides care without charge or at amounts less than its established rates to patients meeting certain criteria under its charity care policy. Because MBHC, FNH and MBHH do not pursue collection of amounts determined to qualify as charity care, these amounts are not reported as net patient service revenue. Charges excluded from revenue under the Hospital's charity care policy were \$453,880 and \$860,088 for 2005 and 2004, respectively.

Contributions

Gifts of cash and other assets received without donor stipulations are reported as unrestricted revenue and net assets. Gifts received with a donor stipulation that limits their use are reported as temporarily or permanently restricted revenue and net assets. When a donor 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. Gifts having donor stipulations which are satisfied in the period the gift is received are reported as unrestricted revenue and net assets.

Frontier Nursing Service, Inc. and Affiliates
Notes to Consolidated Financial Statements
April 30, 2005 and 2004

Income Taxes

The Service is comprised of not-for-profit corporations that are tax exempt pursuant to Section 501(c)(3) of the Internal Revenue Code (Code), except for FNS REI, which is a not-for-profit corporation recognized under Section 501(c)(2) of the Code. The management of MBHH believes they are operating in accordance with the provisions of Section 501(c)(3). Accordingly, no provision for income taxes has been made in the accompanying consolidated financial statements.

Note 2: Net Patient Service Revenue

MBHC, FNH and MBHH have agreements with third-party payors that provide for payments at amounts different from established rates. These payment arrangements include:

Medicare – For services prior to September 1, 2003, inpatient acute care services rendered to Medicare program beneficiaries were paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors. Inpatient nonacute services and certain outpatient services related to Medicare beneficiaries are paid based on a combination of fee schedules and a cost reimbursement methodology. MBHC, FNH and MBHH are reimbursed for certain services at tentative rates with final settlement determined after submission of annual cost reports by MBHC, FNH and MBHH and audits thereof by the Medicare fiscal intermediary. Effective August 1, 2000, a prospective payment system was activated by the Medicare program for outpatient procedures. MBHC was held harmless from the new prospective payment system until December 31, 2003.

On September 1, 2003, MBHC elected critical access hospital (CAH) designation, which changes the payment system for the care of Medicare beneficiaries. As a CAH, inpatient and outpatient services are paid on a cost reimbursement methodology. MBHC is reimbursed certain services at tentative rates with a final settlement determined after submission of annual cost reports by MBHC and audit thereof by the Medicare fiscal intermediaries.

Medicaid – For services prior to September 1, 2003, inpatient services provided to Medicaid program beneficiaries are reimbursed at prospectively determined per diem rates. Outpatient services rendered to Medicaid program beneficiaries are reimbursed under a cost reimbursement methodology. MBHC, FNH and MBHH are reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by MBHC, FNH and MBHH and audits thereof by the Medicaid fiscal intermediary.

Effective September 1, 2003, with the CAH designation, both inpatient and outpatient services rendered to Medicaid program beneficiaries are reimbursed under a cost reimbursement methodology. MBHC is reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by MBHC and audits thereof by the Department for Medicaid Services.

Approximately 74% and 85% of net patient service revenues for 2005 and 2004 are from participation in the Medicare and state sponsored Medicaid programs, respectively.

Frontier Nursing Service, Inc. and Affiliates
Notes to Consolidated Financial Statements
April 30, 2005 and 2004

MBHC, FNH and MBHH have also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations and preferred provider organizations. The basis for payment to MBHC, FNH and MBHH under these agreements includes prospectively determined rates per discharge, discounts from established charges and prospectively determined daily rates.

Note 3: Concentration of Credit Risk

MBHC, FNH and MBHH grant credit without collateral to patients, most of whom are area residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors at April 30 is:

	2005	2004
Medicare	37%	30%
Medicaid	34	37
Other third-party payors	16	19
Patients	13	14
	100%	100%

The Service maintains a substantial portion of its cash and investments in two local financial institutions. The balances are insured by the Federal Deposit Insurance Corporation up to \$100,000. At various times during the fiscal year, the cash balances may exceed the insured limits. The Service considers the risk associated with the cash balances in excess of the insured limits to be minimal. At April 30, 2005 and 2004, the Service's cash accounts did not exceed federally insured limits.

Note 4: Grant Commitments

The School receives its grant support through periodic claims filed with the respective funding sources, not to exceed a limit specified in the funding agreement. Since the financial statements of the School are prepared on the accrual basis, any earned portions of the grants not yet received are recorded as receivables. Following are the grant commitments that extend beyond April 30, 2005:

Grant	Term	Grant Amount	Earned as of April 30, 2005	Funding Available
Advanced Education Nursing Traineeships	July 1, 2004 – June 30, 2005	\$ <u>88,239</u>	\$ <u>60,816</u>	\$ <u>27,423</u>

Frontier Nursing Service, Inc. and Affiliates
Notes to Consolidated Financial Statements
April 30, 2005 and 2004

Note 5: Investments and Investment Return

Investments at April 30 consisted of the following:

	<u>2005</u>	<u>2004</u>
Cash and equivalents	\$ 1,561,880	\$ 1,709,132
Corporate bonds	2,327,490	2,041,095
U. S. Treasury obligations	3,618,497	—
Common trust fund bonds	—	2,823,488
Common stock	12,840,186	12,854,336
Common trust fund equities	<u>1,068,827</u>	<u>1,861,427</u>
	21,416,880	21,289,478
Less investments held in perpetuity	<u>3,956,521</u>	<u>3,956,521</u>
Investments – current	\$ <u>17,460,359</u>	\$ <u>17,332,957</u>

Total investment return is comprised of the following for the year ended April 30, 2005:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Interest and dividends	\$ 299,006	\$ 276,962	\$ 575,968
Net realized gains	971,642	901,157	1,872,799
Net unrealized losses	<u>(712,508)</u>	<u>(736,906)</u>	<u>(1,449,414)</u>
Total investment return	\$ <u>558,140</u>	\$ <u>441,213</u>	\$ <u>999,353</u>

Total investment return is comprised of the following for the year ended April 30, 2004:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Interest and dividends	\$ 278,306	\$ 237,707	\$ 516,013
Net realized gains	403,080	370,387	773,467
Net unrealized gains	<u>683,976</u>	<u>614,309</u>	<u>1,298,285</u>
Total investment return	\$ <u>1,365,362</u>	\$ <u>1,222,403</u>	\$ <u>2,587,765</u>

Frontier Nursing Service, Inc. and Affiliates
Notes to Consolidated Financial Statements
April 30, 2005 and 2004

Note 6: Property and Equipment

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

	<u>2005</u>	<u>2004</u>
Land	\$ 542,682	\$ 542,682
Buildings	4,686,717	4,548,160
Equipment	8,645,569	7,689,154
Construction in progress	<u>84,908</u>	<u>4,524</u>
	13,959,876	12,784,520
Less accumulated depreciation and amortization	<u>10,585,039</u>	<u>9,902,490</u>
	<u>\$ 3,374,837</u>	<u>\$ 2,882,030</u>

Note 7: 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 agreements. The trustee is to hold assets of the trusts 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 as of April 30:

	<u>2005</u>	<u>2004</u>
Ballard trust	\$ 308,553	\$ 307,734
Gage trust	976,763	973,102
Jones trust	54,652	52,977
Patterson trust	222,295	220,103
Ross trust	77,657	74,249
Schoff trust	58,989	60,184
Stebbins trust	<u>88,314</u>	<u>87,548</u>
	<u>\$ 1,787,223</u>	<u>\$ 1,775,897</u>

Frontier Nursing Service, Inc. and Affiliates
Notes to Consolidated Financial Statements
April 30, 2005 and 2004

Note 8: Medical Malpractice Claims

The Service purchases medical malpractice insurance under a claims-made policy on a fixed premium basis with coverage of \$1,000,000 per occurrence, \$3,000,000 in aggregate and a \$500,000 self-insured retention. Accounting principles generally accepted in the United States of America require a health care provider to accrue the expense of its share of malpractice claim costs, if any, for any reported and unreported incidents of potential improper professional service occurring during the year by estimating the probable ultimate costs of the incidents. Based upon the Service's claim experience, no such accrual has been made. It is reasonably possible that this estimate could change materially in the near term.

Note 9: Long-term Obligations

Long-term obligations consist of the following at April 30:

	2005	2004
Note payable to Toyotal Financial Services due February 21, 2009, interest at 4.99%, due in monthly installments of \$432, including interest, collateralized by a 2004 Toyota RAV4.	\$ 17,684	\$ 21,868
Note payable to Toyotal Financial Services due February 21, 2009, interest at 4.99%, due in monthly installments of \$399, including interest, collateralized by a 2004 Toyota RAV4.	16,344	20,211
Note payable to bank due in full December 29, 2004, interest at prime due quarterly, collateralized by a 2001 Toyota Sequoia.	—	24,455
Note payable to bank due March 3, 2006, including interest at prime, due in six monthly installments of interest only, then in quarterly installments of \$17,595, including interest collateralized by vehicles.	68,411	—
Note payable to bank due in full December 1, 2004, interest at prime due quarterly, collateralized by a trust account held with bank.	—	190,000
Note payable to bank due January 10, 2010, interest at prime (5.75% at April 30, 2005), plus 0.25% due in monthly installments of \$1,089 with the remaining balance at maturity, collateralized by a trust account held with another bank.	187,131	—

Frontier Nursing Service, Inc. and Affiliates
Notes to Consolidated Financial Statements
April 30, 2005 and 2004

	2005	2004
Capital leases for equipment, at rates ranging from one percent to 36%, collateralized by equipment.	\$ 994,544	\$ 637,447
	1,284,114	893,981
Less current portion	494,257	410,422
Noncurrent obligations	\$ 789,857	\$ 483,559

Equipment under capital leases includes the following at April 30:

	2005	2004
Equipment	\$ 1,637,051	\$ 961,420
Less accumulated depreciation	599,293	310,336
	\$ 1,037,758	\$ 651,084

Aggregate annual maturities of long-term obligations and capital lease obligations at April 30, 2005, were:

	Long-term Obligations (Excluding Leases)	Capital Lease Obligations
2006	\$ 79,592	\$ 414,665
2007	11,766	406,355
2008	12,382	165,139
2009	10,528	72,314
2010	175,302	22,194
	\$ 289,570	1,080,667
Less amount representing interest		86,123
Present value of future minimum lease payments		\$ 994,544

Frontier Nursing Service, Inc. and Affiliates
Notes to Consolidated Financial Statements
April 30, 2005 and 2004

Note 10: Lines of Credit

Outstanding balances as of April 30:

	2005
FNS REI (A)	\$ 502,500
MBHC (B)	800,000
FNH (C)	250,000
Foundation (D)	520,350
	2,072,850
Less current portion	1,050,000
Noncurrent portion	\$ <u>1,022,850</u>

- (A) FNS REI has a \$500,000 revolving line of credit expiring on June 10, 2009, at which time, all principal amounts are due. The line is collateralized by real estate. Interest varies with the bank's prime rate, which was 5.75% on April 30, 2005, and is payable monthly.
- (B) MBHC has an \$800,000 revolving line of credit expiring on August 23, 2005. The line is collateralized by a trust account held at another bank. Interest varies with the bank's prime rate, which was 5.75% on April 30, 2005, and is payable monthly.
- (C) FNH has a \$250,000 revolving line of credit expiring on August 23, 2005. The line is collateralized by a trust account held at another bank. Interest varies with the bank's prime rate, which was 5.75% on April 30, 2005, and is payable monthly.
- (D) The Foundation has a revolving line of credit with a maximum available credit as determined by the lender from time to time based on 50% of the value of securities not otherwise pledged as collateral to other institutions. All principal amounts outstanding are payable upon the maturity of this line of credit, which is March 20, 2010. Interest varies with the bank's prime rate, which was 5.6% on April 30, 2005, and is payable monthly.

Note 11: Retirement Plan

The FNS Capital Accumulation Plan (Plan), a noncontributory defined contribution retirement plan, covers substantially all of the Service's employees. Employer contributions are determined by the board of governors of the Service annually and are allocated among Plan participants on the basis of eligible employee salaries. The Service's contribution related to the Plan was \$155,491 and \$164,015 in 2005 and 2004, respectively.

Frontier Nursing Service, Inc. and Affiliates

Notes to Consolidated Financial Statements

April 30, 2005 and 2004

Note 12: 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 a stop-loss policy from re-insurers. Specific individual losses for claims are limited to \$50,000 per year. One individual is excluded from this limit. The stop-loss amount for the individual is \$100,000. Provision for losses expected under this program are recorded based upon the Service's estimates of the aggregate liability for claims incurred and totaled \$33,955 and \$88,478 for the years ended April 30, 2005 and 2004. The amount of actual losses incurred could differ materially from the estimates reflected in these consolidated financial statements. Cumulative amounts estimated to be payable by the Service with respect to reported claims and incurred but not reported claims have been accrued in the consolidated statements of financial position.

Note 13: Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are available for the following purposes:

	2005	2004
Alice Adams Scholarship	\$ 11,519	\$ 10,593
Caroline Butler Atwood Memorial Nursing Center Fund	253,795	253,985
Charitable Gift Annuity Fund	202,547	200,021
Education Fund	5,465,066	5,539,127
Elizabeth Canby Bradford DuPont Memorial Fund	319,121	321,752
Endowment Fund	218,958	221,935
Friends Endowment	73,007	75,770
Hyden Hospital in Patient Care Fund	125,674	129,937
Jacob and Gertrude Arronson Memorial Scholarship Fund	11,218	8,886
Jesse Smith Noyes Endowment	275,131	267,897
Kate Ireland Education Fund	520,030	497,361
Kate Ireland Endowment Scholarship	164,533	163,079
Kate Ireland Women's Healthcare Center Fund	340,956	341,039
Kip Kelso Crist Fund	612,299	576,576
Kitty Ernst Endowment	27,107	28,117
Mardi Perry Scholarship Fund	55,528	54,876
Margaret L. Ferguson Memorial Scholarship Fund	18,659	17,489
Nancy B. Taylor Memorial Scholarship Fund	6,744	8,752
Restricted Donations	300,414	255,548
Shockey/Bulkey Memorial Fund	73,688	77,117
Social Services Fund	101,772	105,474
Susanne Preston Wilson Grandin Memorial Scholarship Fund	5,153	5,321
	<u>\$ 9,182,919</u>	<u>\$ 9,160,652</u>

Frontier Nursing Service, Inc. and Affiliates

Notes to Consolidated Financial Statements

April 30, 2005 and 2004

During the years ended April 30, 2005 and 2004, net assets were released from donor restrictions by incurring expenses, satisfying the restricted purposes, in the amount of \$482,783 and \$551,198, respectively.

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:

	<u>2005</u>	<u>2004</u>
Alice Adams Scholarship	\$ 22,722	\$ 22,722
Anne P. Whistler Endowment	2,200,000	2,200,000
Beneficial interest in outside trust	1,787,223	1,775,897
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	34,732	34,732
Hyden Hospital in Patient Care Fund	48,476	48,476
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	37,022	37,022
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	25,318	25,318
Wigglesworth Chase Fund	50,000	50,000
	<u>\$ 5,743,744</u>	<u>\$ 5,732,418</u>

Frontier Nursing Service, Inc. and Affiliates
Notes to Consolidated Financial Statements
April 30, 2005 and 2004

Note 14: Functional Expenses

The Service provides health care and educational services primarily to residents within its geographic area. Expenses related to providing these services for the years ended April 30, are as follows:

	<u>2005</u>	<u>2004</u>
Health care and education services	\$ 13,511,823	\$ 12,317,778
General and administrative	3,973,164	3,700,628
Fundraising	<u>395,609</u>	<u>128,432</u>
	<u>\$ 17,880,596</u>	<u>\$ 16,146,838</u>

Note 15: Significant Estimates and Concentrations

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

Allowance for Net Patient Service Revenue Adjustments

Estimates of allowances for adjustments included in net patient service revenue are described in Notes 1 and 2.

Malpractice Claims

Estimates related to the accrual for medical malpractice claims are described in Notes 1 and 8.

Admitting Physicians

MBHC is served by one admitting physician whose patients comprise approximately 37% of MBHC's net patient service revenue.

Self-insurance Program

Estimates related to the provision for losses as a result of the Service's self-insurance program for hospitalization and medical coverage for its employees are described in Notes 1 and 12.

Frontier Nursing Service, Inc. and Affiliates

Notes to Consolidated Financial Statements

April 30, 2005 and 2004

General Litigation

During the fiscal year ended April 30, 2005, 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, 2005, 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.

In Memoriam

If you wish to make a contribution to the Frontier Nursing Service in memory of a friend or loved one, please complete and return this section to the Development Office at FNS, 132 FNS Drive, Wendover, Kentucky 41775.

In memory of _____

Contributor's name _____

Person (s) to whom you wish acknowledgment sent

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In Honor

If you wish to make a contribution to the Frontier Nursing Service in honor of someone's accomplishments or achievements, please complete and return this section to the Development Office at FNS, 132 FNS Drive, Wendover, Kentucky 41775.

In honor of _____

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Person (s) to whom you wish acknowledgement sent

Name _____

Address _____

IN MEMORIAM

Mrs. Eleanor T. Stetekluh, Saluda, North Carolina, a wonderful supporter of FNS, passed away May 10, 2005.

Mrs. Mary Hodge, Devon, Pennsylvania, passed away recently. Mrs. Hodge was formerly a member of the FNS Board of Governors, Trustee and a member of the Philadelphia Committee.

In Memory of:

Captain William B. Aycock	Shirley T. Ohl
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Dorothy Chase	Marion B. Ownes
Mr. & Mrs. Theodore Chase	Mr. & Mrs. Dale Jay Bonge
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Elizabeth Avery Taylor	
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Form of Bequest

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

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

How Endowment Gifts May be Made

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

1. By specific gift under your Will - you may leave outright a sum of money, specified securities, real property, or a fraction or percentage of your estate.
2. By gift of residue under your Will - you may leave all or a portion of your residuary estate to the Service.
3. By life insurance - you may have life insurance made payable direct to the Service.

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

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

Gifts of stock should be sent to:

Merrill Lynch
Attn: Travis Musgrave
801 East Main Street, Suite 1200
Lexington, KY 40507
859-231-5258

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.

Anne Wasson Center:

Hearing Tympanometer	2,850.00
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Beech Fork Clinic:

Wheelchair Scales	2,565.40
Automatic Electronic Defibrillator	3,591.00

Community Health Center:

Wheelchair Scales	2,565.40
Automatic Electronic Defibrillator	3,591.00

Emergency Room:

Finger Pulse Oximeter	395.00
4 Littman Stethoscopes	191.80
Pocket Size Diagnostic Ophthalmoscope/Otoscope	300.22

Frontier Nursing School of Midwifery & Family Nursing:

Computer System for Students (Library Use)	1,500.00
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Home Health:

4 Blood Pressure Cuffs	99.80
4 Stethoscopes	191.80
Basin Shampoo Board (6)	187.00
Glucose Monitors (4)	273.72

Lab:

Blood Bank Centrifuge	1,279.20
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URGENT NEEDS - Continued

Nursing Administration

Pediatric Airway trainer (PALS Class)	495.00
ACLS Emergency Handbooks (10)	129.50

Operating Room:

Color Printer Pack for Colonoscopy	295.25
Spot Vital Sign BP & Temp Monitor with Stand	940.62
Stainless Steel Flash Tray	158.00
Stainless Steel Kick Bucket (2)	155.00
Stainless Steel Instrument Table - Fixed Height	365.00
Patient Education Booklets (variety)	100.00
2005 Standards & Guidelines Manual	69.00

Respiratory Therapy:

Pulse Oximetry - Adult, Pediatric	349.95
Pulse Oximetry - Infant	499.95
Burdick Eclipse EKG Machine	4,095.00
Pulmonary Function Puritan Bennett	1,690.00

Wendover

Message Centers (history of each historic building to be mounted on wall) x 5 @ 218.00	1,090.00
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We extend a special "thank you" to Mr. & Mrs. Charles Nicholaus, Jr., Brentwood, Tennessee, for the purchase of four stethoscopes for the Emergency Room. We also thank Noel Fernandez, Ponomo, New York, for the purchase of two wheelchairs for the Emergency Room and two wheelchairs for Medical Surgical Floor.

WE THANK YOU
FOR YOUR PARTICIPATION



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FRONTIER NURSING SERVICE INC
WENDOVER
PO BOX 910912
LEXINGTON KY 40591-0912



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FNS books and brochures _____

Frontier School of Midwifery
& Family Nursing Phone _____

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

Enclosed is my gift of \$ _____, restricted to:

- | | |
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| <input type="checkbox"/> Wendover | <input type="checkbox"/> Christmas Fund |
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Visit us at our websites:

www.frontiernursing.org • www.midwives.org • www.frontierfnp.org

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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 April 1999