The Augustana Hospital Bulletin

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THE AUGUSTANA HOSPITAL JUST NOW

THIS issue of the Augustana Hospital Bulletin will be *somewhat out of the ordinary* because of the presentation of a special matter that will be of the greatest interest to all the members of the Illinois Conference of the Augustana Synod, which owns and controls the Hospital, as well as to the thousands of former patients and friends that have not been specifically connected with the Conference.

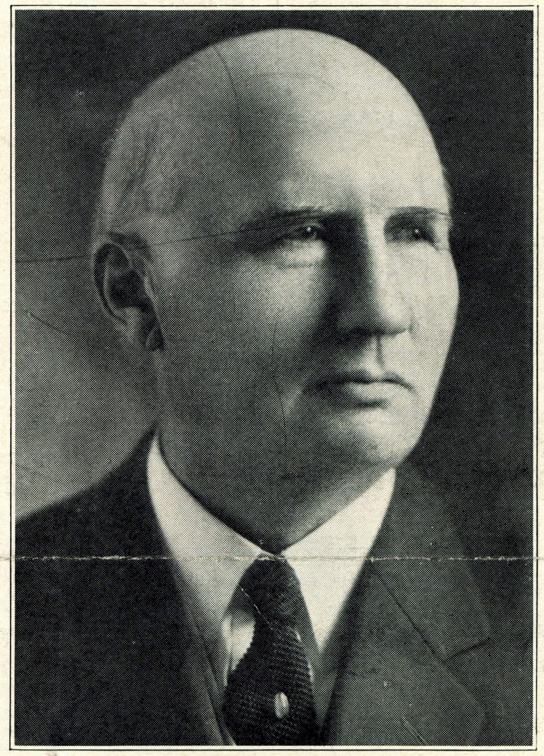
The Illinois Conference, at its annual meeting in April 1929, authorized a campaign for funds to help pay up the indebtedness of the Augustana Hospital. The date for this campaign was set for the fall of 1930.

At this time, however, let us say that the Board of Directors of the Augustana Hospital finds that such a campaign is not a compelling necessity and that another method of financing will be even more satisfactory under the present circumstances.

A campaign such as had been contemplated for $500,000.00 would no doubt prove quite costly and maybe under present general business conditions would bring only indifferent success.

Our plan now is to make a straight business appeal to our friends in offering for sale a Junior Mortgage bond issue, for the purpose of taking care of maturities during the next year and a half and perhaps even more.

The plan contemplates the sale of an issue of $500,000.00 at 6% interest, $300,000.00 of which is now offered for sale by the hospital to the public and all interested friends. The proceeds are to be used *exclusively for refunding purposes. There will be no increase in indebtedness.*



DR. L. G. ABRAHAMSON,
Chairman of the Board of Directors of Augustana Hospital and continuously a member of the Board for 44 years.

Our Indebtedness

Upon completion of the new building in 1926, our bonded indebtedness was as follows:

New Building	$900,000.00
Nurses Home	300,000.00
Old Building	300,000.00
Total	$1,500,000.00

Since that time we have paid maturing bonds on

New Building	$150,000.00
Nurses Home	50,000.00
Old Building	10,000.00
Total	$210,000.00

leaving the bonded indebtedness at this date $1,290,000.00.

We also owe notes payable amounting to $70,000.00, so that the *net reduction of indebtedness* is $140,000.00 during the past three years.

OUR PRESENT PROBLEM

By the end of 1931 we must meet the following maturities:

October 1st, 1930, notes payable	$25,000.00
December 1st, 1930, bonds on new building	40,000.00
April 1st, 1931, bonds on old building	10,000.00
June 1st, 1931, bonds on new building	50,000.00
August 1st, 1930, bonds on Nurses' Home	100,000.00
August 1st, 1930, notes	45,000.00
December 1st, 1931, bonds on new building	40,000.00
Total	$310,000.00

A Retrospect

Class Room, School of Nursing

Let us just briefly review a bit of history.

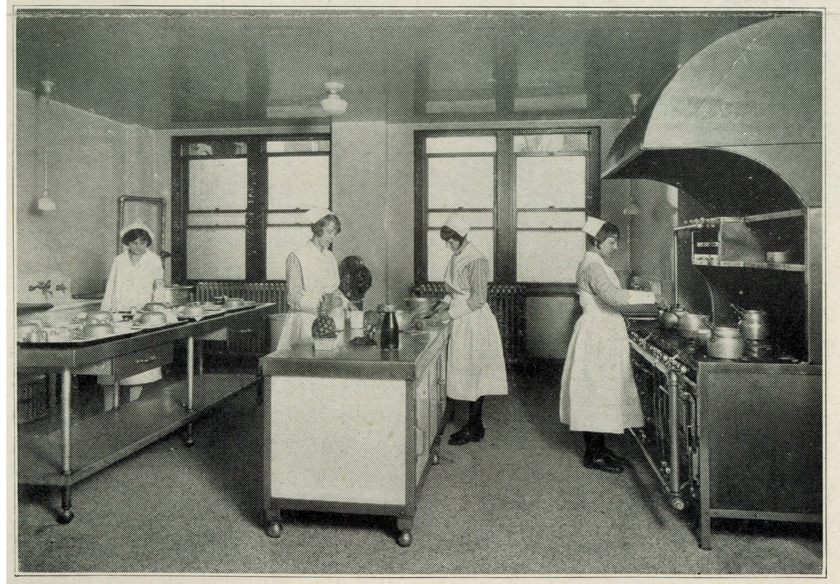
The Augustana Hospital was incorporated under the laws of the State of Illinois on February 28, 1882, and is a corporation "organized not for profit."

The first building was a three story frame residence located at the intersection of Cleveland, Lincoln and Garfield Avenues. It had been remodeled so that 15 patients could be accommodated. The site had an area of about one acre on which a new building could eventually be built. In appointments and equipment it was simple and meager even for that day but was, nevertheless, a beginning for much great work and development. The hospital was dedicated on May 28, 1884, and the original building was used until 1894 when a new one of brick and stone construction, six stories in height with a capacity of 125 beds was completed. In 1904 another wing containing 75 beds was added making the capacity 200.

After a few years it again became evident that still further expansion would be needed and in 1916 the property at Garfield Avenue and Sedgwick Street was purchased. This site was occupied by the old buildings of the United States Brewing Company, and comprised an area somewhat more than two acres, having a frontage of 379 feet on Garfield Avenue and 268 feet on Sedgwick Street. The old buildings were razed but because of wartime conditions nothing would be done in the way of new construction.

In 1921, however, construction on a seven story fireproof home was begun, which was completed in 1922 at a cost of $400,000.00. This was financed in part by funds realized from a money raising campaign and by a bond issue. To relieve the crowded conditions prevailing in the main hospital building where it was often necessary to care for patients in the corridors, the two upper floors of the home were temporarily fitted for hospital work. Here Dr. A. J. Ochsner carried on most of his surgical work during the last years of his life. The number of patients continued to increase, however, so that there was a cry for still more room.

After much study of the situation we felt that a new building must be provided if we were to meet the need for augmented service. Since it did not seem to be a propitious time for a money raising effort the possibility of financing through a bond issue was carefully considered and on the basis of past performance seemed to be feasible. The details were carefully worked out and construction begun in April, 1925. This building can accommodate 275 patients. It is devoted to the departments of Surgery and Internal Medicine. The administration wing contains business offices, surgery, laboratories and living quarters for the internes. It is arranged to provide for a future wing or pavilion extending north and south parallel with the present patients pavilion.



Special Diets Kitchen

The Cleveland Avenue building has been rearranged and somewhat remodeled for the Obstetrical Department. Two floors are also available for medical and surgical ward patients. The total number of available beds in both buildings is 450.

The new building consisting of administration and patient's wings was erected and furnished at a total cost of $1,400,000.00, not including the site. It was financed by means of a $900,000.00 6% first mortgage bond issue on the new plant and a similar issue for $300,000.00 on the old building. The balance came from surplus funds on hand.

The total value of the entire plant consisting of East and West buildings and the nurses' home, and including all other assets with allowance made for depreciation reserves amounts to $2,661,686.00. We have bonded indebtedness and current liabilities in the amount of $1,437,453.00, making our net worth on December 31, 1929, $1,224,232.00.

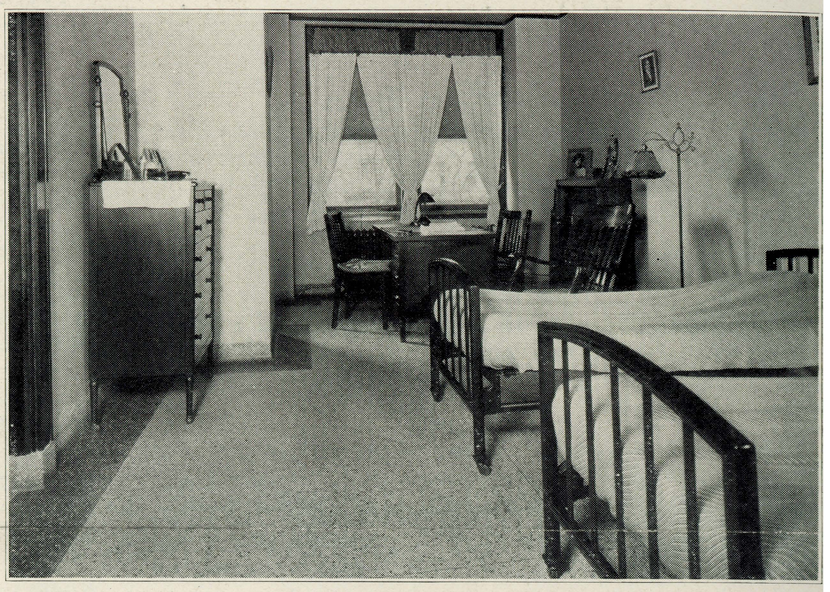
The Professional Standing of the Augustana Hospital

From the beginning the hospital has been fortunate in having an excellent medical staff. The first physician and surgeon was Dr. Truman Miller. He was followed by Dr. Charles T. Parkes and in 1891 came the man whom we all look upon as being responsible in the greatest measure for the

success of Augustana. We refer to Dr. Albert J. Ochsner. It was due to his genius as a surgeon, his learning and his indefatigable labor that the hospital became famous. His was a great personality. Becoming surgeon in chief as a young man he served for nearly thirty-five years performing some of the most remarkable work in the annals of surgery. As he became a leader so also the institution came to be recognized for its high quality of service.

Medical and Surgical Staff

After all it is the Staff that makes any hospital. If it is composed of able men the hospital can turn out high grade service and, contrariwise, if the staff does not realize and accept the responsibilities which membership entails the service and reputation of both staff and hospital will suffer. Our staff is ethical, able and cooperative and credit should and is given each member for his contribution to the professional success of the hospital. They are teachers as well as doctors. Several are members of the faculty of the University of Illinois Medical School as professors and instructors. All have to some extent been influenced in their careers by contact with Dr. A. J. Ochsner who was one of the greatest teachers.



Internes' Room

Department of Nursing

Likewise, in the *Department of Nursing* the hospital has achieved success. In educating, training and graduating over 800 nurses, a great service has been rendered the community. Our students come from good homes and because it is a church hospital we attract young women of high ideals. They are trained for nursing careers under the direction of the staff and the splendid women who have served the hospital as superintendents, assistants and instructors. The Augustana graduate stands out wherever hospitals are to be found. The standing of the school is attested by the fact that not only is it accredited by the Department of Registration and Education of the State of Illinois, but is one of only eight schools of nursing in the entire State which is on the approved list of the Board of Regents of the University of the State of New York.

Standing in the Medical World

The hospital is approved for interne training by the American Medical Association and is also approved by the American College of Surgeons as meeting all requirements. It holds institutional membership in the American Hospital Association. All of these facts testify to the high professional standards which are being maintained.

Other Outstanding Features

Our X-ray Department is one of the best of its kind and is in charge of a Roentgenologist of excellent training and experience. Likewise our Pathological and Clinical Laboratories are contributing effective data and information concerning the diseases from which patients suffer. The Physiotherapy Department is a most valuable aid in the treatment and cure of certain conditions. The special diets division, the pharmacy and various other departments have important functions to perform in the general scheme of hospitalization.

Nurses' Dining Room

Denominations and Maturities

The denominations of the present bond issue will be $100, $500 and $1000. They are dated June 1, 1930 and will all mature June 1, 1935

Price and Payments

The price will be par and accrued interest.

Guarantee Policy

The present bond issue is secured by a Junior Mortgage protected with a guarantee policy issued by the Chicago Title and Trust Company of Chicago. The reason for issuing these bonds is that the maturities on the first mortgage issues have been too large to be met out of the earnings of the hospital, particularly during the last year when we have been in the midst of a general business depression. However, the Hospital has paid $140,000.00 on maturing bonds the last three years.

We emphasize the fact that the indebtedness of the Hospital will not be increased for the simple reason that the proceeds of the present Junior issue will be used for the exclusive purpose of paying up a part of the first mortgage maturities. This leaves the ratio of security virtually the same as for the first mortgage securities.

Method of Retiring Bonds

All the bonds on the new building of the Augustana Hospital, both the first mortgage bonds and those of the present issue, will mature simultaneously in 1935, at which time it is planned that all outstanding indebtedness will be refinanced.

REMEMBER

1. That the Augustana Hospital is a great and a going concern, with a wonderful history back of her and with a splendid future and an ever increasing field of usefulness opening up before her.

2. That the Augustana Hospital is the property of the Illinois Conference of the Augustana Synod, numbering not less than 50,000 communicant members and that her security is established.

3. That the Augustana Hospital enjoys not only a national but an international reputation for splendid achievement.

4. That by the sale of the present bond issue there will not ensue any increase in the indebtedness of the institution, because all the proceeds of the present Junior issue will be used exclusively for retiring first mortgage maturities.

5. While an investment in an Augustana Hospital Real Estate Gold Bond insures perfect security, it also becomes a source of genuine satisfaction to own one or more or many of her bonds, because one then becomes actively connected with an institution that has made real achievement and occupies a position of prominence in the forefront of the outstanding hospitals in our country today.

The members of the Augustana Hospital Board are as follows:

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E. I. ERICKSON SUPERINTENDENT

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The Advisory Board consists of the following:

ORDER BLANK

MR. E. I. ERICKSON,
***Superintendent* Augustana Hospital**
Garfield and Sedgwick Sts., Chicago, Illinois

Dear Sir:—I hereby make application for .... six per cent Real Estate Gold Bonds (secured by Junior Mortgage) on Augustana Hospital.

Check order desired—

Name....................................

☐ **Cash order**

Street....................................

☐ **Payment on installments**

City....................................

Bonds may be purchased on our partial payment plan, to wit: 20% down and the remainder in ten equal monthly installments.