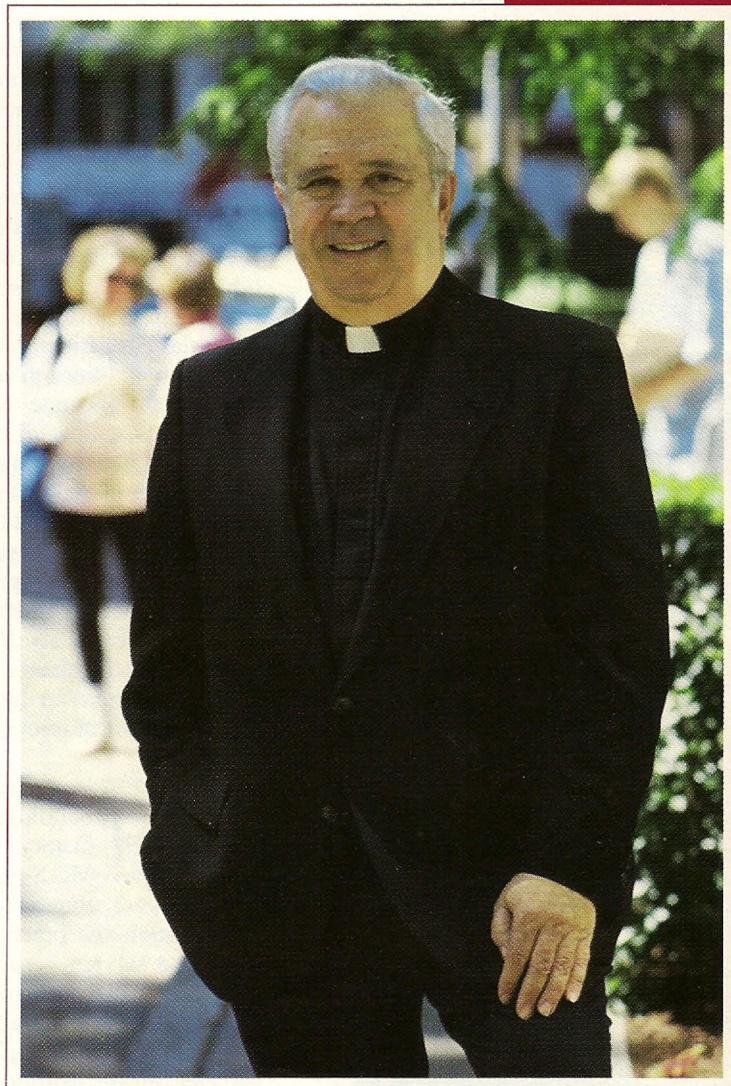


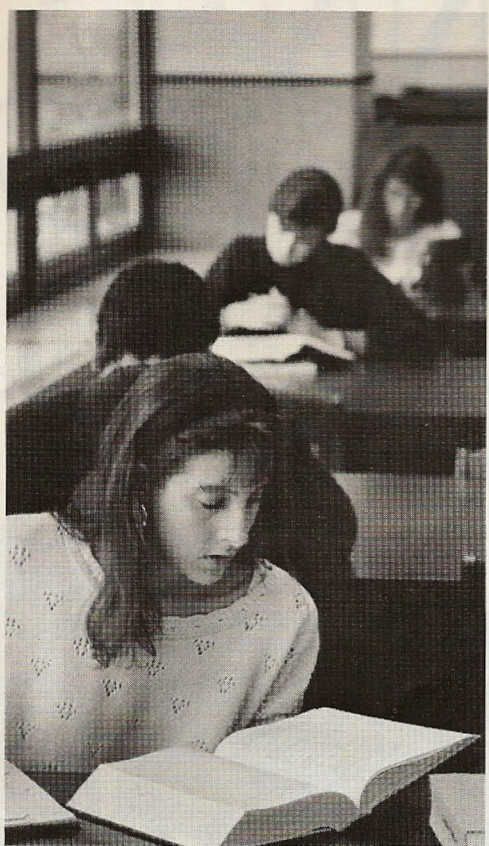
# ANNUAL REPORT

From Loyola University Chicago  
President Raymond Baumhart, S.J.



Loyola University Chicago • Winter 1992





## Dear Loyola Friends,

**I**n Loyola University Chicago's 121 years, our faculty, staff, and alumni have diligently implemented the theme "Knowledge in the service of others." This year, we are celebrating that steadfastness of spirit and reaffirming our commitment to Jesuit values in education, research, and health care. By embarking on a five-year, \$100 million capital campaign, Loyola University Chicago is declaring its unmistakable intent to contribute to the future of Chicago, the nation, and the world.

One of the best predictors of future success for an institution is past success. So let's see how Loyola fared in academic and fiscal 1990-91.

Loyola's Jesuit mission received unprecedented support from the boards of trustees of two local Catholic colleges, when the former Mallinckrodt College of the North Shore became part of Loyola on Jan. 1 and when the former Mundelein College joined Loyola on June 14. These surprising opportunities for Loyola's educational expansion were made feasible by the similar corporate cultures of the three Catholic institutions. I am pleased that the administrators and faculties of our three institutions demonstrated flexibility and tolerance amid the anxiety and pressure of the affiliation process.

Loyola gained much more than a fourth Chicago-area campus in Wilmette and an expanded Lake Shore Campus from these unions. We gained caring professors and administrative staff, dedicated to Catholic education; bright and motivated students, able to adapt to change and look positively to the future; and new academic programs. Mallinckrodt programs in paralegal studies and English as a Second Language became part of Loyola's offerings, as did Mundelein's Weekend College and women's studies program. Loyola also incorporated Mundelein's Hispanic Institute into the Institute of Pastoral Studies, and the Master of Liberal Arts Program into the Graduate School.

In addition, three Mundelein trustees joined Loyola's board to help integrate the Mundelein vision with that of Loyola, and a new college, Loyola University's Mundelein College, was created. It encompasses the university's part-time division, known in the past as University College, and the former Mundelein's Weekend College.

Use of the physical space brought by Mundelein to Loyola's Lake Shore Campus currently is under consideration by Loyola's space committee. We will commit funds to restore and rejuvenate the art deco beauty of the Mundelein Skyscraper, as well as to enhance the physical structure of several other buildings. Some facilities at the Mallinckrodt Campus are undergoing physical rejuvenation.

**F**iscal year 1991 saw the completion of more new buildings than any other year in Loyola University history. We completed our William G. and Marilyn M. Simpson Living-Learning Center at the Lake Shore Campus in April. This new facility is both attractive and practical, with facilities for 400 student residents, food service, seminar rooms, and university offices. We also moved a number of offices into the new Granada Centre in June. Loyola is a 50 percent equity partner in this project with the Senior Lifestyle Corporation, and occupies 35,000 square feet in the 16-floor, \$22 million building. The Doyle Center, which is celebrating its golden anniversary this academic year, moved into a renovated facility on the Lake Shore Campus in August. This upgraded facility will improve the training received there by graduate students in clinical psychology, social work, and counseling psychology as well as improve the outpatient clinical services provided to the community. To protect



the Lake Shore Campus from the damaging storm conditions of Lake Michigan, we completed a \$2 million shoreline protection project in November.

At the Medical Center, we increased office space and upgraded facilities for a number of departments by building the new Administration Building, completed in April. This five-story building houses the university's mainframe computers, a variety of university administrative offices, and outpatient cardiac care and outpatient physical therapy facilities in 205,000 square feet of space. In March, we dedicated the Emergency Care Facility, funded in part with a large grant from the Ronald McDonald Children's Charities. An expanded, state-of-the-art emergency medical services center, which includes three treatment rooms equipped for pediatric care and an isolation room for treating persons accidentally contaminated with radioactive substances, occupies the first floor. This center is about four times the size of our old emergency room, an important factor since two out of every nine admissions to McGaw Hospital come through the emergency room and the number of our emergency patients has increased 12 percent since April. Additionally, a new parking structure accommodating 1,280 cars was completed in August at the Medical Center.

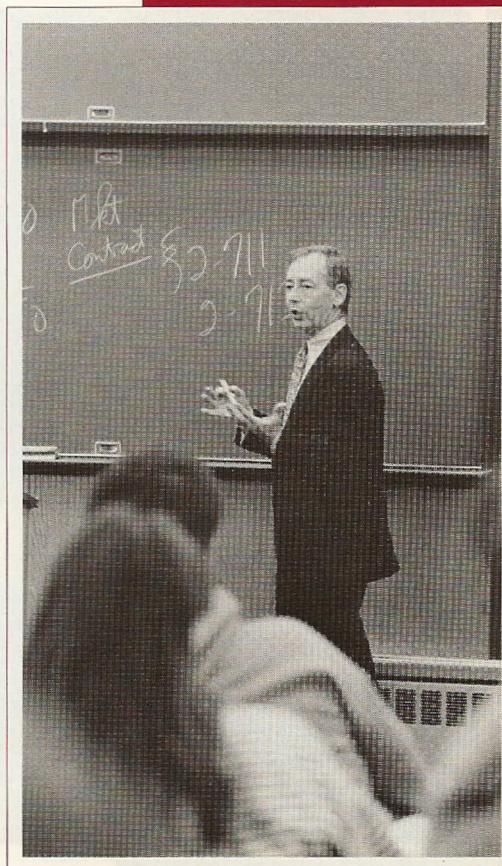
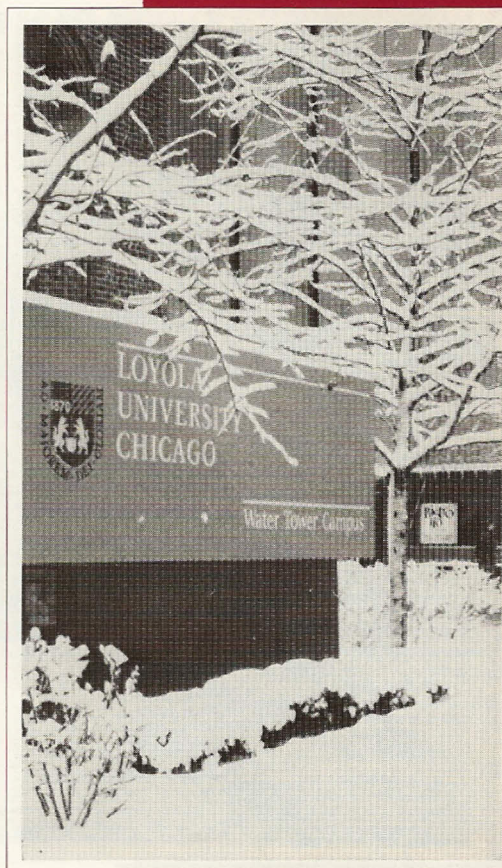
We are in the planning stages for a new building at the Water Tower Campus, and anticipate construction to start in spring 1992. The building will house the School of Business Administration, the university library, the law school library, the Institute of Human Resources and Industrial Relations (also celebrating 50 years at Loyola this year), and academic computing, all of which have space needs. We also will fill our need for more downtown classrooms through space in this building.

**T**he Persian Gulf War affected Loyola, as it did Americans across the country. A number of our employees were called to military service during this time of crisis. These men and women, as well as the employees who remained at the university and worked extra hard to compensate for the absence of military co-workers, are to be commended for being persons for others in the Jesuit tradition. A bright spot in the anxiety of the war was the positive acknowledgement of Loyola's academic excellence as many of our professors were called upon to share their military, political, and ethical opinions via the media.

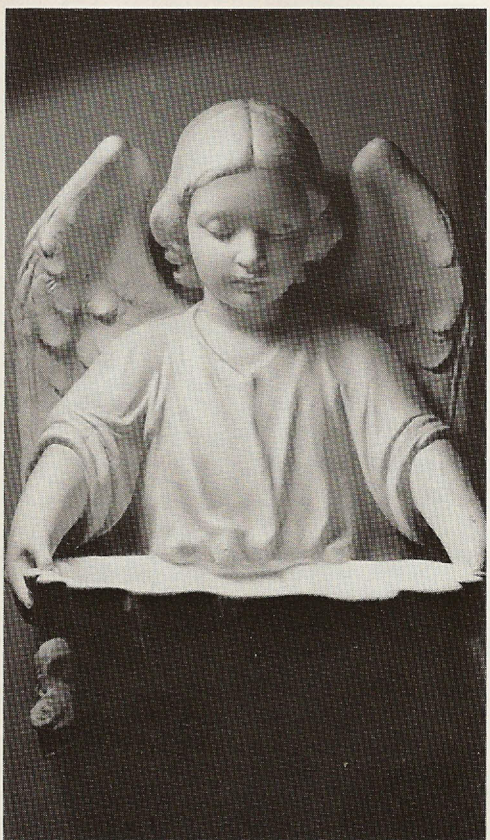
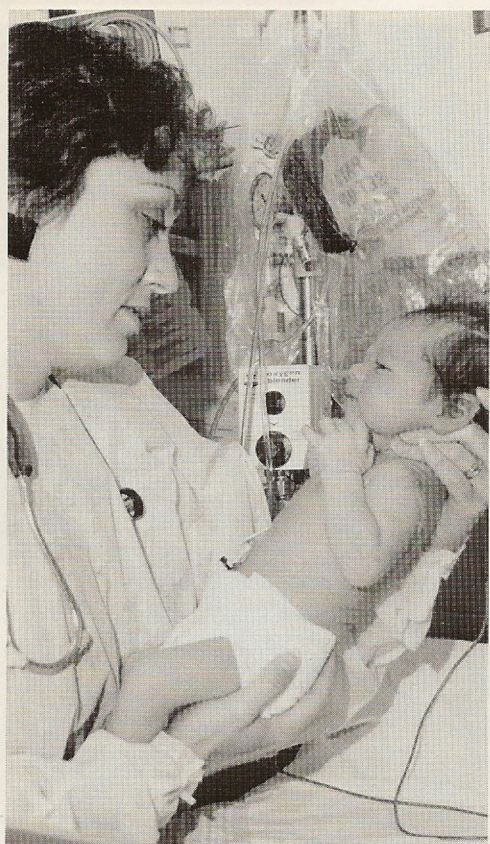
War coverage aside, Loyola's experts have become sought after by reporters, locally and nationally, and their opinions have been highlighted in *Time* magazine, *Newsweek*, the *Wall Street Journal*, the *Washington Post*, *The New York Times*, and on national television shows such as ABC's *Home*, and on the *Cable News Network* (CNN).

Loyola medical events and procedures regularly make news. Loyola has the only active photodynamic therapy program in the country, and our doctors recently used this laserlight process on the cancerous brain tumor of a 29-year-old Wisconsin man. Loyola also became the first Illinois institution funded in the Urologic Cancer Outreach Program. Nearly 5,000 heart procedures, including an estimated 2,300 cardiovascular surgeries, are performed here annually, making Loyola the premier cardiac care facility in the Midwest. Our heart transplant team does ten times as many procedures as our nearest Chicago-area competitor. Because of our extensive work with hearts, we opened a new center for preventive and cardiac rehabilitation services. Our pediatric cardiologists also patched the hole in the heart of an infant who, with his mother, made a journey from the jungles of Peru to Loyola to receive this high-risk, but successful, operation.

Loyola is ranked first in Illinois and third in the nation among







university-owned teaching hospitals in terms of the severity of patient conditions treated. During 1990-91, the volume of emergency cases surpassed 33,000 and the number of major trauma cases totaled nearly 2,000. In order to better serve these patients, we established a shock trauma institute this year. Our Foster G. McGaw Hospital occupancy rate was more than 85 percent this past year. The Mulcahy Outpatient Center is now open 65 hours per week and serves nearly 75 patients every hour. We received more than \$10 million in support of research in areas such as heart disease, organ transplantation, trauma and burns, oncology, biomedicine, and Parkinson's and Alzheimer's diseases. Dr. Albert Sabin, known for developing the oral polio vaccine, came to Chicago at the invitation of Loyola's Department of Pathology to lecture on his views of Acquired Immune Deficiency Syndrome and the possibility of producing an AIDS vaccine.

On the higher education side, Loyola faculty members also are recognized for quality by their peers, as well as by the university. Professor of Law Alan Gratch spent several months in the city of Kiev in the Ukraine as a Fulbright Lecturer, just prior to the breakdown of the Communist system. Professor of History Barbara Rosenwein is researching monastic immunities with the support of a Guggenheim Fellowship. Jesuit Frans Jozef van Beeck won a national book award for his volume explaining some Jewish religious beliefs to Christians. Associate Professor of Theatre Jonathan Wilson was named among Chicago's top 20 individuals in the arts by the *Chicago Tribune*. School of Law Dean Nina Appel was one of six lawyers invited to Austria to offer guidance to Central and Eastern European lawyers.

University-wide, we are educating 15,866 undergraduate, graduate, professional, and certificate-program students in Loyola's ten schools this year. We educate more students than any other American Jesuit university, and our students hail from all 50 states and from 61 foreign countries. The number of our international students is at an all-time high of 506, and the largest contingent came from China, where Loyola does no recruitment or advertising. The presence on our campuses of so many students from abroad is helpful in making our American students aware of other cultures, and in enabling them to evaluate the American culture.

Our Schools of Nursing and of Education seem to have reversed the trend of declining undergraduate enrollments. But dentistry continues in the doldrums. The number of students in our D.D.S. program is only 270; that is a 49 percent decline in the last six years and the smallest number of students since 1946.

Loyola continues to reach out to the world. This summer, our graduate School of Business will offer classes at our Rome Center Campus and our Classical Studies Program will offer a course in Greece. Our University Ministry staff now makes two trips per year with Loyola students to Guatemala, to minister to the poor there. With a grant from the Conrad N. Hilton Foundation and collaboration from the Franciscan community, we are able to offer education and training to six brothers from Uganda and Kenya who hail from the Bannakaroli religious order. We awarded Lithuanian President Vytautas Landsbergis an honorary degree in May. Rome Center Assistant Dean Aldona Walker, a native of Lithuania, spent two weeks at the Vilnius Pedagogical Institute as part of a team of 30 American educators who taught 600 Lithuanian academics about content and methods in U.S. education, and Professor of Social Work Robert Constable developed programs for Lithuanian parents and children.



**W**e also continue to expand our educational scope right here in Chicago. We have created a Center for Ethics Across the University which will encourage scholarly and applied research, as well as teaching methods. Loyola also launched innovative new programs to encourage minority participation in graduate studies, and to impart teaching skills to graduate students. Our School of Social Work awarded its first doctoral degree, and the school reports that the number of applications is larger than ever. Our new Ph.D. program in theology accepted its first graduate students this year.

We Jesuits at Loyola still constitute a critical mass, influential beyond our number. Currently, of the 110 Jesuits here, half are on the teaching staff and another 30 are pursuing advanced studies, mainly in philosophy. As our numbers decline, we make more and better attempts to share Jesuit values with our lay colleagues, including a videotape about the Jesuit identity to be shown to all new employees and a day of reflection on the insights of Ignatius Loyola for university officers and administrators. The new Center for Faith and Culture will ensure appreciation of the university's Jesuit heritage and mission.

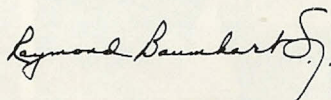
Loyola is financially healthy, as our report figures indicate, and from this position of strength we intend to increase the quality and scope of our activities and to heighten our recognition as a national university. Our endowment, as of June 30, 1991, was \$328,300,000—placing Loyola among the nation's top 50 endowed universities. Among Catholic universities, only Notre Dame had a larger endowment. This is the 18th consecutive year Loyola has completed with an operating surplus.

Fortunately, contributors to the capital campaign understand and acknowledge that upgrading facilities and programs is a cost above and beyond operational expenses. They also understand the importance of investing in the future: Loyola trustees, employees, and medical faculty have pledged \$12.8 million in the internal fundraising phase of the campaign. That monetary commitment makes a strong statement about employee support of Jesuit goals. I believe that our alumni and friends feel just as strongly about Loyola University's mission.

If you haven't already read the article delineating the 15 goals of the university's capital campaign, I invite you to turn to page four and do so. I also invite you to contribute to Loyola's campaign and to join our efforts "To Search for Truth, To Care for Others."

We concluded the Ignatian year in 1991, recognizing the 500th anniversary of the birth of Ignatius of Loyola and the 450th anniversary of the founding of the Jesuit order. But as you can see by our university-wide activity, Loyolans continually celebrate Jesuit ideals. Loyola's 9,600 employees, 15,866 students, and 86,000 alumni work daily to search for truth and to care for others.

Respectfully,



**Raymond Baumhart, S.J.**  
President





# Consolidated Statements of Financial Position

All funds; fiscal years ended June 30, 1991 and 1990

(in millions of dollars)

	Unrestricted	1991 Restricted	Total	1990 Total
<b>Assets</b>				
Cash:	\$ 3.3	\$ 0.4	\$ 3.6	\$ 0.6
Investments, at market:				
Short-term investments [cost \$24.1 (1991) and \$63.5 (1990)]	16.9	7.1	24.0	63.5
Other investments [cost \$308.6 (1991) and \$280.1 (1990)]	266.6	70.5	337.1	306.8
Receivables:				
Hospital, less allowance for doubtful accounts of \$20.1 (1991) and \$13.9 (1990)	65.2		65.2	48.1
Notes, less allowance for doubtful accounts of \$1.0 (1991) and \$1.4 (1990)	6.7	23.3	29.9	27.8
Other	12.1	3.0	15.1	10.7
Other assets:				
Inventories	8.1		8.1	7.4
Prepaid expenses	32.3		32.3	23.6
Risk retention fund	86.4		86.4	70.5
Land, buildings, and equipment, less accumulated depreciation of \$215.2 (1991) and \$188.6 (1990)	270.4		270.4	223.1
<b>Total assets</b>	<b>\$767.7</b>	<b>\$104.3</b>	<b>\$872.0</b>	<b>\$782.1</b>
<b>Liabilities and Fund Balances</b>				
Accounts payable and accrued expenses	\$ 57.2	\$ 7.0	\$ 64.2	\$ 66.9
Deferred income	6.5		6.5	6.2
Indebtedness	194.5	18.0	212.6	213.6
Reserve for risk retention	78.7		78.7	70.5
Agency accounts		0.7	0.7	0.7
Interfund balances	65.1	(65.1)		
Fund balances:				
Current funds	2.5	57.1	59.6	47.6
Plant funds	85.8	4.0	89.8	72.8
Endowment and similar funds	270.2	58.1	328.3	277.2
Loan funds	7.1	24.5	31.6	26.7
<b>Total Liabilities and Fund Balances</b>	<b>\$767.7</b>	<b>\$104.3</b>	<b>\$872.0</b>	<b>\$782.1</b>

Note: During fiscal year 1991, the university adopted a new accounting standard requiring the recognition of depreciation of buildings and equipment. Some 1990 numbers have been restated for comparison.

Totals may not add due to rounding.



# Consolidated Statements of Revenues, Expenditures, and Other Changes in Fund Balances

All funds; fiscal years ended June 30, 1991 and 1990

(in millions of dollars)

	Unrestricted	1991 Restricted	Total	1990 Total
<b>Revenues</b>				
Educational and General:				
Tuition and fees	\$ 97.4	\$ 0.5	\$ 98.0	\$ 87.0
Grants and contracts	4.2	16.7	20.9	19.3
Private voluntary support:				
Activities related to educational departments	2.7	36.8	39.4	34.5
Gifts and private grants	1.4	10.8	12.3	10.8
Contribution of the Loyola Jesuit community	0.3	0.05	0.4	0.05
Investment income and net realized gains on sales of investments	24.4	6.7	31.1	28.4
Increase (decrease) in unrealized gain on investments	2.0	(0.2)	1.8	1.4
Other	4.1	1.4	5.5	3.6
Auxiliary enterprises	10.2		10.2	9.6
Foster G. McGaw Hospital and Mulcahy Outpatient Center	388.6		388.6	332.2
<b>Total Revenues</b>	<b>\$535.3</b>	<b>\$ 72.7</b>	<b>\$608.1</b>	<b>\$526.8</b>
<b>Expenditures</b>				
Educational and General:				
Instruction	\$ 29.1	\$ 32.2	\$ 61.3	\$ 56.3
Scholarships	7.6	1.3	8.9	8.0
General and administrative	31.5	14.5	46.0	43.6
Student services	7.8	0.8	8.7	7.0
Libraries	7.7	0.03	7.7	6.8
Operation and maintenance of physical plant	14.6		14.6	13.0
Depreciation	14.2		14.2	9.1
Sponsored research and training	1.0	14.2	15.2	13.5
Activities related to educational departments	2.0	0.002	2.0	2.0
Cancellation and reversion of loan funds		0.08	0.08	0.06
Payments to annuity and life income participants		0.2	0.2	0.2
Auxiliary enterprises	10.6	0.09	10.7	9.6
Foster G. McGaw Hospital and Mulcahy Outpatient Center	336.0	0.5	336.5	307.4
<b>Total Expenditures</b>	<b>\$462.2</b>	<b>\$63.9</b>	<b>\$526.1</b>	<b>\$476.6</b>
<b>Excess of Revenues over Expenditures</b>	<b>\$ 73.2</b>	<b>\$ 8.8</b>	<b>\$ 82.0</b>	<b>\$ 50.2</b>
<b>Transfers and Other Changes</b>	<b>\$ 9.7</b>	<b>\$12.7</b>	<b>\$ 3.0</b>	<b>\$ (5.0)</b>
<b>Increase in Fund Balances</b>	<b>\$ 63.5</b>	<b>\$21.5</b>	<b>\$ 84.9</b>	<b>\$ 45.2</b>

Note: During fiscal year 1991, the university adopted a new accounting standard requiring the recognition of depreciation of buildings and equipment. Some 1990 numbers have been restated for comparison.

Totals may not add due to rounding.



# Consolidated Statements of Sources and Uses of Funds

fiscal years ended June 30, 1991 and 1990

(in millions of dollars)

	Unrestricted	1991 Restricted	Total	1990 Total
<b>Sources of Funds:</b>				
Operations:				
Excess of revenues over expenditures	\$ 73.2	\$ 8.8	\$ 82.0	\$ 50.2
Add charges not requiring the use of funds:				
Depreciation	27.8		27.8	23.8
Library books and art capitalized—net	3.2		3.2	2.6
Accretion of discount on capital notes		1.1	1.1	0.9
Funds provided from operations	104.2	9.9	114.1	77.6
Issuance of indebtedness	7.3		7.3	0.2
Increases:				
Accounts payable and accrued expenses				23.3
Deferred income	0.3		0.3	0.08
Reserve for risk retention	8.2		8.2	15.9
Agency accounts		0.07	0.07	0.2
Decreases:				
Receivables				3.3
Total Sources of Funds	\$120.1	\$9.9	\$130.0	\$120.7
<b>Uses of Funds:</b>				
Purchases of land, buildings and equipment—gross	\$ 75.4		\$ 75.4	55.0
Reduction of indebtedness	8.5	0.9	9.4	2.9
Increases:				
Receivables	20.3	3.2	23.5	0.07
Other assets	9.4		9.4	4.8
Risk retention fund	15.9		15.9	14.4
Decreases:				
Accounts payable and accrued expenses	2.7	0.01	2.7	
Total Uses of Funds	\$132.1	\$ 4.1	\$136.2	\$ 77.2
Interfund Transfers	\$ 1.6	(\$ 1.6)		
Transfer of Indebtedness	\$ 32.8	(\$ 32.8)		
Increase (Decrease) in Cash and Investments	\$ 22.4	(\$ 28.6)	(\$ 6.2)	\$ 43.5

Note: During fiscal year 1991, the university adopted a new accounting standard requiring the recognition of depreciation of buildings and equipment. Some 1990 numbers have been restated for comparison.

Numbers may not add due to rounding.



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