REPORT OF THE FINANCE COMMITTEE

2012-2013 Projected Revenues and Expenditures

As reported to the Board of Trustees in October and December, 2012, the university’s operations for the fiscal year 2012-13 are still projected at this time to result in a Net Surplus of $100 thousand.

Although there have been swings in both Revenues and Expenditures since December, the university is taking steps to maintain or enhance the projected surplus. Through the cooperation of all of the Vice Presidents, adjustments are being made within their respective budgets to expend no more than previously projected, less if possible, and using restricted funds to offset expenses where possible.

We have conservatively estimated Summer School revenue and expenditures which will come to fruition after the May Board meeting.

In summary, as stated in December, 2012, the university is projected to end the fiscal year with a surplus of $100 thousand. We will maintain a 5.99% draw on Endowment.
FINANCE COMMITTEE
REPORT OF THE ENDOWMENT SUB COMMITTEE

Endowment Update

Despite several macro headwinds, the global Equities markets performed quite well in 2012, surprising many economists and investors alike. Slowing economic growth in the U.S. and China, austerity in Europe and fears of going over the “fiscal cliff” in the United States were trumped by an improving unemployment picture in U.S., a rebound in domestic housing and unprecedented monetary stimulus measures enacted by central banks around the world. For the year, U.S. stocks and Developed International stocks increased by 16.0% and 17.3% respectively, while U.S. Core Bonds increased 4.2%.

Overall, 2012 was a good year for Loyola’s Endowment. The Unrestricted and Restricted Pools returned 12.5% and 18.3% respectively, surpassing all of our benchmarks. The market value for the Unrestricted Pool was $168.3 million as of December 31, 2012, whereas the value of the Restricted Pool stood at $84.7 million at year-end.

As of December 2012, the Loyola Unrestricted Pool was invested as follows: 64% in Equities, 28% in Fixed Income and 8% in Alternatives. The Restricted Pool is currently invested in a balanced mutual fund which maintains a blend of approximately 73% Equities and 27% Bonds. During the year, the Committee spent considerable time working with our new consultant to develop the most appropriate asset allocation for Loyola’s Endowment. Going forward, we expect to make allocations to a few new asset classes (i.e. Hedged Equity, Real Estate and Special Situations) while also enacting some investment manager changes where warranted.

Most recently, the Committee has elected to restructure Loyola’s International Equity and Fixed Income portfolios. In light of today’s low yield environment and the potential for rising interest rates in coming years, we believe that Fixed Income will be a very challenging asset class going forward. The Committee has elected to reduce Loyola’s allocation to Bonds within the Unrestricted Pool and allocate capital to managers that we believe can successfully navigate through a challenging Fixed Income environment. Other notable changes made this year include the replacement of two managers within the Domestic Equity and International Equity portfolios of the Unrestricted Pool. With our long-term horizon, we will continue to rely on the experience and expertise of the Finance Committee/Endowment Sub-Committee and our consultant. Manager performance and asset allocation will be regularly monitored and managed with prudence as market conditions evolve.
FINANCE COMMITTEE
REPORT OF THE FACILITIES SUB COMMITTEE

Construction Project Updates – Phase II

Monroe Hall:

- Exterior:
  - All exterior demolition work is complete.
  - The erection of the main structural steel is basically complete. The subcontractor is currently erecting miscellaneous steel framing at the North Stair area. This work is expected to be completed in the next two (2) weeks.
  - All Level 700 concrete over metal deck has been poured. The contractor is currently preparing to pour concrete over the metal deck at the 800 Level. A small amount of concrete will need to be placed at the North Tower once the remaining steel is erected.
  - Foundation work at the west wall is in progress.
  - The exterior scaffolding system that is being used to facilitate the installation of the exterior façade is complete and in service along the east, south and west elevations.
  - The installation of the exterior structural metal stud framing and exterior sheathing board is in progress and at various stages of completion along the East Elevation (Calhoun Street), South Tower and Center Tower areas.
  - Fireproofing of the structural steel continues. The subcontractor is currently working at the Center Tower area.
  - The north end material/personnel hoist has been inspected and put into service.
  - The new North Tower stair case is ready for use in case of an emergency.
  - The University’s testing lab is inspecting all welding and concrete work as required by the project specifications.

- Interior:
  - The University successfully relocated occupants located on the 4th (partial) and 5th Floors as part of the Phase I construction schedule.
  - Hazardous material abatement was completed on the entire 5th Floor and approximately half of the 4th Floor as planned.
  - Phase I interior demolition of the 5th Floor (all) and 4th Floor (partial, 50%) is complete.
Monroe Hall (cont.):

Interior (cont.):

- The re-routing of chilled water, heating water and storm drain lines was completed for this phase of construction.
- The MEP trades are laying out their work and roughing-in services at the South Tower and the 4th/5th Floor areas.
- Carbon fiber reinforcing work has been completed at the 5th Floor and is in progress on the 4th Floor.

- Forecast - In addition to the activities currently in progress, the following activities are expected to start in the month of February 2013:
  - Temporary roofing work is scheduled to begin. The big push by the contractor is to get the building “dried in”.
  - The new elevators are expected to be delivered. Installation will proceed immediately.
  - The new air handling equipment is expected to begin arriving in the next several weeks. Installation will be scheduled for sometime in April or May.

Buddig Hall:

- Exterior Work:
  - All masonry corrective work and caulking is completed.
  - Painting of the columns at the Southeast quadrant is complete. The scaffolding at this area is currently being taken down. Some minor repair work will need to be performed where the scaffolding anchor points were located.

Cabra Hall:

- The general contractor completed or is currently working on the following activities:

  Drywall:
  - The subcontractor has completed the installation of all sheetrock on the 3rd and 4th Floors.
Cabra Hall (cont.):

- Sheetrock installation on wall and ceilings are complete on the 2nd Floor. Work at the shower stalls and ceilings is currently ongoing.
- Sheetrock installation for drywall partitions is complete on the 5th Floor and framing for ceilings is in progress.
- Framing of the 1st Floor interior walls is currently in progress.
- Framing and sheathing installation is 100% complete on the Broadway side and approximately 95% complete on the courtyard side.

- Plumbing:
  - The mechanical contractor continues with the installation of the underground sewer and drain lines, the 1st Floor overhead water lines and the installation of the center core drain, sewer and water lines.

- HVAC:
  - The mechanical subcontractor is in the process of installing the center core exhaust and supply air duct.
  - Control work for the fan coil units on the 1st and 5th floors is in progress.
  - Installation of the 1st Floor supply and exhaust duct is in progress.
  - Installation of the 1st Floor overhead fan coil units and connecting the fan coil units to the chill/hot water systems is in progress.

- Electrical:
  - The electrical subcontractor has completed the installation of the light cans on the 2nd Floor.
  - Electrical panels have been terminated on Floors 2 through 4. Termination of panels on Floor 5 are currently in progress.
  - The electrical subcontractor continues with the installation of the main electrical panels on the 1st Floor.
  - The subcontractor has started pulling the feeder wires from the main electrical panels to the individual floor panels.
  - The electrical subcontractor is currently installing conduit and pulling wire on the roof for the generator, Munters Unit and roof top air conditioning compressors.

- Spray foam insulation - all spray foam work has been completed.
Cabra Hall (cont.):

- Exterior windows on Floors 2 through 5 are complete. The 1st Floor Broadway side windows are complete. The 1st Floor Courtyard side has not started. Caulking of the windows is ongoing.

- Waterproofing activities:
  - Waterproofing is complete at the 1st Floor, Broadway block walls.
  - Caulking of the Courtyard side plaster walls on Floors 2 through 5 is in progress.

- Sprinkler work - The sprinkler subcontractor continues with the installation of the sprinkler system on the 1st through 5th Floors.

- Masonry – The masonry subcontractor has completed the patching and tuck-pointing of the existing elevator block walls. Foam injection of the existing block walls has started on the 1st Floor.

- Painting - The painting subcontractor completed taping and floating the 4th Floor sheetrock walls and ceilings and is applying the primer coat in those areas. They are currently taping, floating and priming the 3rd Floor.

- The millwork subcontractor has started the installation of the cabinets on the 4th Floor.

- The structural steel subcontractor has erected the new curtain wall structural support framing at the Courtyard side. Final welding of the framing is in progress.

Forecast – In addition to the activities currently in progress, the following activities are expected to start in the month of February 2013:

- Installation of the new elevator is expected to begin (equipment has been delivered).
- VCT flooring is expected to start on the upper floors.
- 1st Floor, Courtyard exterior windows.
- Installation of the Courtyard curtainwall glass is expected to begin.
- Exterior painting.
- Installing light fixtures.
- Installing plumbing fixtures.

Benson Jesuit Center:

- The architects are continuing to work on preparing construction documents.