The Board of Trustees of the University of Central Arkansas convened in a called teleconference meeting at 1:00 p.m., Tuesday, June 1, 2010 with the following officers and members present:

Chair:	Dr. Harold Chakales
Vice Chair	

	$14,444,242
Auxiliary	
Series 1997 (ref)	$ 304,928
Series 2003B	$ 3,731,787
Series 1997C	$ 1,104,538
	$ 5,141,253
Total	**$19,585,495**

Additional information:

1. Provided with this request is the university's cash position beginning with FY 2003/04 and including projected FY 2009/10 and estimated FY 2010/11. See attachment.

2. Also provided is the operating summary which reflects the current status of the approved operating budget. See attachment.

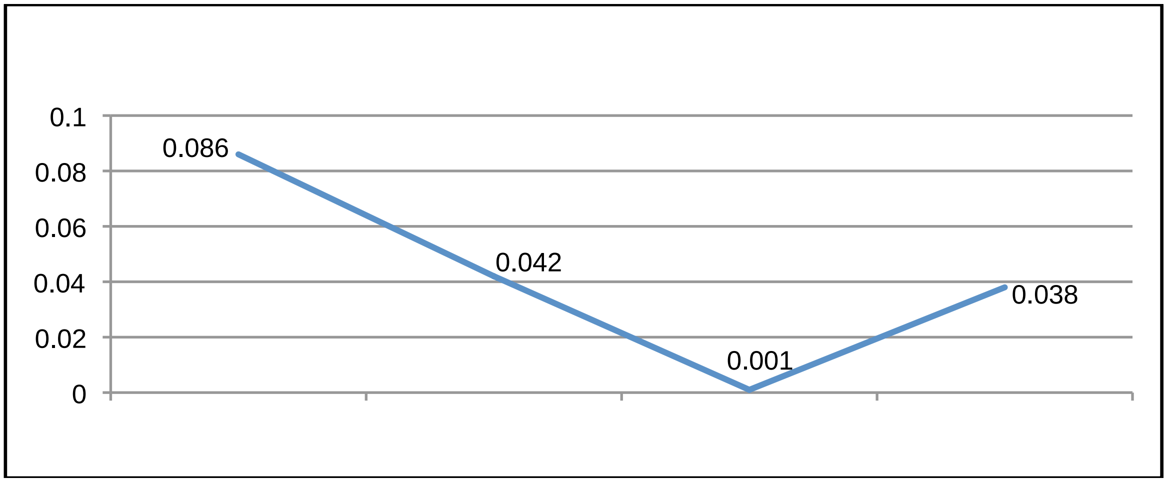
3.

BE IT FURTHER RESOLVED: That the Board authorizes the administration to seek language in the bond indenture allowing reimbursement for project expenditures occurring prior to the issuance of the bonds that are related to the funded projects; and

BE IT FURTHER RESOLVED: That the administration is authorized to enter into any contracts or take any other action necessary to accomplish the refunding and the issuance of the bonds."

University of Central Arkansas
Ratio Analysis
For Year Ended June 30, 2009

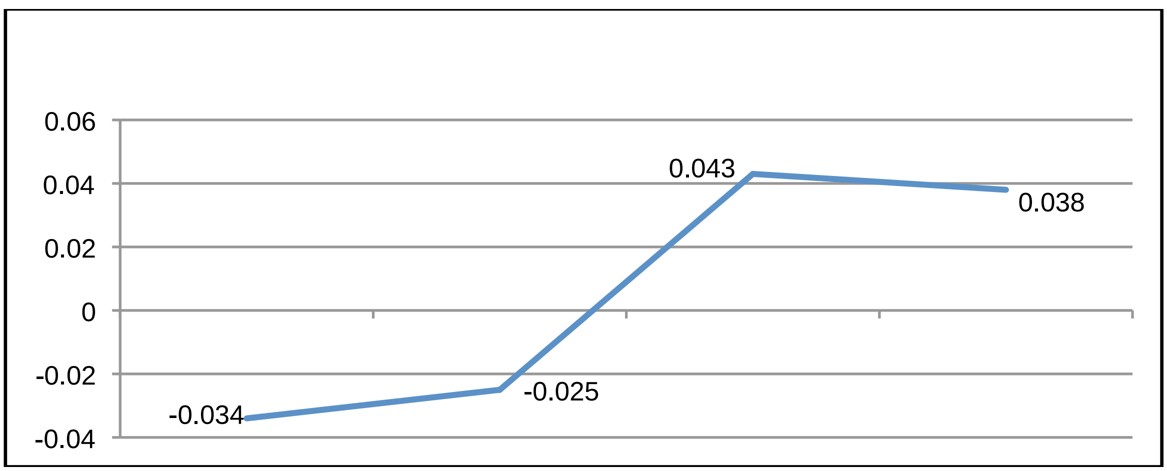
The **Primary Reserve Ratio (PRR)** uses total expenses to define operation size. Analyses of financial statements suggest that a PRR of .40x or better is advisable to give the flexibility needed to carry out their strategic initiatives. This says the institution would have the ability to cover about five months of expenses (40 percent of 12 months) from reserves.



Fiscal Year 2009 demonstrates the effect on the Primary Reserve Ratio after dramatic operational changes were made.

Net Operating Revenue Ratio

The **Net Operating Revenue Ratio (NORR)** explains how the surplus from operating activities affects the behavior of the other three core ratios. A large surplus or deficit directly impacts the amount of funds an institution adds to or subtracts from net assets, thereby affecting the Primary Reserve Ratio, the Return on Net Assets Ratio and the Viability Ratio. A positive ratio reflects an operating surplus for the year.



In FY2009 the Net Operating Revenue Ratio dropped to .038. This decline is partly a result of a decline in state funding and in market losses.

Return on Net Assets Ratio

The **Return on Net Assets Ratio**

Current Year Outlook

Fiscal year 2010 year-end cash balance projections are promising due to the operational changes put in place. In addition, there will be a significant increase in cash reserves from the Stimulus funds. This will further move the campus toward the goal of financial stability.

Next Year Outlook

The proposed budget for FY2011 is predicated on flat spending in operational accounts with the reinstatement of state cuts applied to