

NCCU BOARD OF TRUSTEES

March 18, 2026

Business and Finance Division

Finance Update

Laurie Wilcox

Vice Chancellor for
Business and Finance/CFO



WHERE PURPOSE TAKES FLIGHT



- Operational Updates
- FY26 Year-End Projection
- FY27 Budget Development Overview
- Richmond Hall Project Funding

Operational Updates

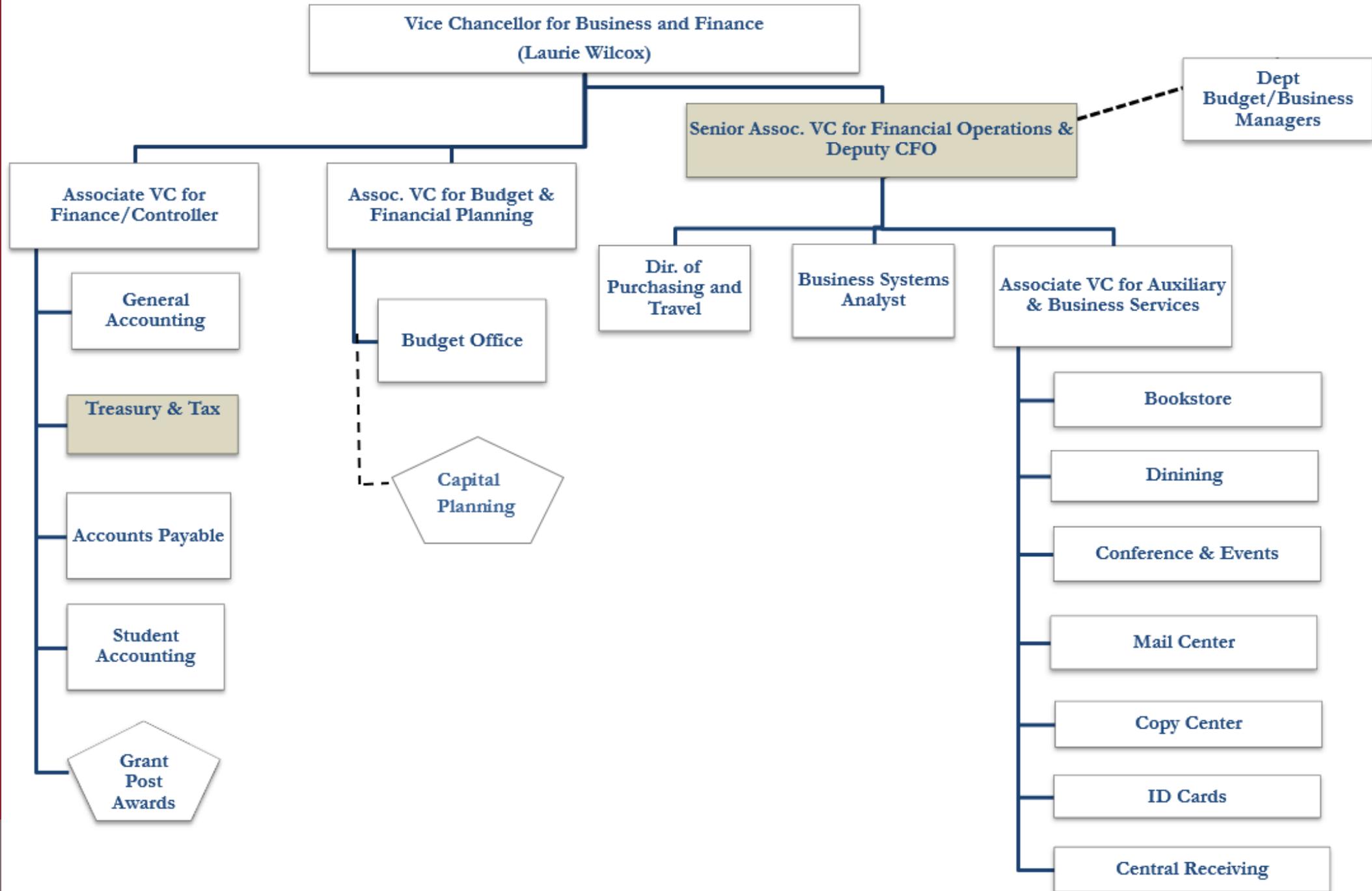
New Hires



Beatrice Muganda, EA, CPA, PMP
Associate Controller



Cole Justad
Associate Budget Director



Business Process Updates

- **Reporting** - Consultants have begun drafting new management reports
- **Travel & Expense System Optimization** - In testing phase of Purchasing & Travel Card Reconciliation Migration
- **ERP 'Org' Restructure** – new 'Org' structure is drafted and ready for Cabinet review
- **Internal Trainings/Development:**
 - Required Monthly Finance/Business Officer Meetings – Last Friday Every Month
 - Annual Procurement Card Training – March 2026 kickoff; every July/August thereafter

FY26 Preliminary Year-End Projection

FY26 Projection Highlights

- Increased Revenues due to enrollment growth
- One-time Vacancy Savings generated with delayed administrative hirings.
- Increased Housing Capital/Repair Costs incurred due to:
 - Timing of Summer 2025 projects
 - Additional Critical Demands
- \$1M of State Management Flex Carryforward Anticipated
(Provides contingency funding for FY27)
- Increased Reserves

North Carolina Central University FY26 All-Funds Budget

(Based on Feb. 2026 data)

Approved Budget	General Fund	Auxiliary & Other Trust Funds	Overhead/F&A Receipts	Restricted Trust Funds	Total
Revenues Total	\$ 153,860,000	\$ 65,952,000	\$ 4,910,000	\$ 133,769,870	\$ 358,491,870
Expenses Total	\$ 153,860,000	\$ 64,882,000	\$ 5,286,000	\$ 132,469,870	\$ 356,497,870
Change in Fund Balance	\$ -	\$ 1,070,000	\$ (376,000)	\$ 1,300,000	\$ 1,994,000
Financial Projection	General Fund	Auxiliary & Other Trust Funds	Overhead/F&A Receipts	Restricted Trust Funds	Total
Revenues:					
State Appropriations	\$ 102,977,120	\$ -	\$ -	\$ -	\$ 102,977,120
Revenues	\$ 56,102,560	\$ 70,686,770	\$ 5,512,230	\$ 4,124,280	\$ 136,425,840
Contracts & Grants	\$ -	\$ -	\$ -	\$ 129,102,870	\$ 129,102,870
Revenues Total	\$ 159,079,680	\$ 70,686,770	\$ 5,512,230	\$ 133,227,150	\$ 368,505,830
Expenses:					
Personnel	\$ 121,029,860	\$ 19,793,450	\$ 1,398,050	\$ 616,210	\$ 142,837,570
Non-Personnel	\$ 40,115,160	\$ 49,443,930	\$ 1,528,740	\$ 2,167,560	\$ 93,255,390
Contract & Grant Expense	\$ -	\$ -	\$ -	\$ 129,102,870	\$ 129,102,870
Expenses Total	\$ 161,145,020	\$ 69,237,380	\$ 2,926,790	\$ 131,886,640	\$ 365,195,830
Operating Margin	\$ (2,065,340)	\$ 1,449,390	\$ 2,585,440	\$ 1,340,510	\$ 3,310,000
Net Transfers/Capital -Revenue (Expense)	\$ 2,065,340	\$ (548,660)	\$ (2,585,440)	\$ 1,856,440	\$ 787,680
Change in Fund Balance	\$ -	\$ 900,730	\$ -	\$ 3,196,950	\$ 4,097,680

FY27 Budget Development

Institutional Considerations

- Affordability
- Rising Costs - Inflationary Pressures and Tariffs
- Attracting and Maintaining Talent
- Growing Deferred Maintenance
- State and Federal Funding Uncertainties

FY27 Budget Objectives

- Maximize Revenues: Pricing and ROI investment reallocations
- Reduce Non-essential Costs: Ex. travel, furniture and equipment
- Generate Cost Efficiencies: Intra- & Inter-Divisional collaborations
- Build Reserves
- Sound Operating Budgets for Auxiliary Entities that provide annual support for facility repairs and improvements.
- Support Strategic Investments
- Include Contingency Plan for Unexpected Costs and/or Revenue Decreases

Budget Development Schedule

- **April (TBD)** – BOT Approval (Special Call Mtg)
- **May 1, 2026** – Submission to UNC System Office

Still To Do:

- Reconcile Budget Requests w/ the Budget Model
- Address Reconciling Items
- Finalize Budget

Richman Hall Project Funding

VC Coleman, EVC Goodson and VC Wilcox

Project Approval Timeline

- ✓ **February 25-26, 2026:** UNC System Office previews each self-liquidating loan request for the Board of Governors.
- **March 18, 2026:** NCCU Board of Trustees votes on SL Request.
- **April 15-16, 2026:** The Board of Governors considers approval of each institution's self-liquidating request.
(If approved by BOG, project is submitted to the NC General Assembly for authorization through the Non-Appropriated Capital Improvements Act.)
- **Summer/Fall 2026:** The NC General Assembly authorizes the projects through the Non-Appropriated Capital Improvements Act.

HOUSING DEMAND

FALL 2025: DEMAND OVERVIEW

- On-campus housing demand is projected at 3,981 total beds, exceeding NCCU's current 3,438 beds leasable on-campus capacity. **The projected on-campus bed shortage is currently 543 beds.**
- The shortage is primarily driven by year-over-year incoming class growth subject to the live-on requirement.** The University recently decided to waive the second year of the two-year live on requirement to alleviate some of the housing shortage.
- Enforcing the second-year live-on requirement would increase total demand. Current capture rates indicate that the first-year policy is not being fully enforced; therefore, potential policy demand and enforcement could drive total demand higher.
- The demand model indicates an under-supply of traditional halls and over-supply of suite and apartment-style units considering assignments and selection procedures. **The live-on policy and first-year housing assignments process enables NCCU to direct students to currently over supplied unit types (i.e., the older traditional halls with community bathrooms).**
- The below demand model shows detailed student housing demand by unit type:

Student Classification	Fall 2025 Capture Rate	Potential Capture Rate	Fall 2025 Demand								TOTAL	Off Campus		
			Existing Trad. 2x	Newer Trad. 2x	Existing Semi-Suite 2x	Existing Semi-Suite 1x	Newer Semi Suite 2x	Existing Apartment 3x/4x	Newer Apartment 3x/4x	New 2BR Apartment			New Studio Apartment	
First-Year	73.1%	73.5%	1,152	819	0	0	0	0	0	0	0	0	1,971	712
Sophomore	43.9%	53.8%	0	30	285	430	5	173	0	0	0	0	924	795
Junior	22.6%	43.5%	9	20	9	115	26	89	148	89	111	616	799	
Senior / Other UG	10.2%	22.6%	0	0	5	72	0	44	126	16	82	345	1,181	
Graduate	1.2%	6.4%	0	0	0	3	0	3	0	3	115	125	1,815	
TOTAL DEMAND	34.7%	42.9%	1,161	869	299	620	31	310	275	109	308	3,981	5,302	
Total System Capacity			914	590	0	256	884	408	386	0	0	3,438		
Housing Surplus / (Shortage)			(247)	(279)	(299)	(364)	853	98	111	(109)	(308)	(543)		
By Unit Type				(526)		189			210		(416)			

Condensed view of First Tryon Report

Richmond Hall Renovation

Using the assumptions detailed below, Richmond Hall achieves 1.05x debt service coverage through FY2035.

Operating Assumptions

- Renovation cost: \$20 million
- Revenue producing beds: 277 beds
- Rental rates (increased at 3.00% annually):
 - Single: \$6,920
 - Suite double: \$8,080
 - Suite single: \$9,550
- Occupancy: 95%
- Operating expenses: \$3,200 per bed (increased at 3.00% annually)

Financing Assumptions

- Amortization period: 30 years
- Interest rates: market rates as of January 5, 2026
- Aggregate cost of issuance and underwriter's discount: approximately \$480,000
- Credit rating: A3

Residence Hall Renovation – Pro Forma (\$)						Year 5	Year 10	Year 13
Fiscal Year	2029	2030	2031	2032	2033	2038	2041	
Total Rental Revenues (A)	2,064,930	2,126,877	2,190,684	2,256,404	2,324,096	2,694,265	2,944,096	
Operating Expenses (B)	886,400	912,992	940,382	968,593	997,651	1,156,551	1,263,794	
Revenues Available for Debt Service (C = A - B)	1,178,530	1,213,885	1,250,302	1,287,811	1,326,445	1,537,714	1,680,301	
Debt Service Requirements								
Principal	110,000	150,000	190,000	235,000	285,000	495,000	595,000	
Interest	1,011,425	1,005,925	998,425	988,925	977,175	882,675	802,675	
Total Debt Service (D)	1,121,425	1,155,925	1,188,425	1,223,925	1,262,175	1,377,675	1,397,675	
Debt Service Coverage (E = C / D)	1.05	1.05	1.05	1.05	1.05	1.12	1.20	
Surplus After Debt Service	57,105	57,960	61,877	63,886	64,270	160,039	282,626	

Richmond Hall Self-Liquidating Loan Request

- \$20M Infrastructure Project
 - Construction Start: October 2027
 - Estimated Occupancy: July 2028
- 1.05x Debt Service Coverage to Start (1.20x by Yr 13)
- Adds 277 beds (fills 51% of the 543-bed shortage)
- Project is P3 Compliant (*beds are included in existing agreement*)

REFRESH

Construction Schedule for Res 1

NCCU Residence (Richmond) Hall 1 Renewal Schedule (Summary)

#	Activity	Duration	Start	Finish
1	Designer advertisement	21	3/29/2026	4/19/2026
6	Designer selection	1	5/17/2026	5/18/2026
9	Advanced Planning (AP)	60	7/1/2026	8/30/2026
11	Schematic Design (SD) phase	45	9/13/2026	10/28/2026
13	Design Development (DD)	60	11/27/2026	1/26/2027
19	Construction Documents (CD)	60	2/25/2027	4/26/2027
25	Advertise for bids	30	7/23/2027	8/22/2027
29	Notice to Proceed	1	10/12/2027	10/13/2027
30	Construction	270	10/13/2027	7/9/2028
31	Final inspection and Beneficial Occupancy (BO)	30	7/9/2028	8/8/2028

32 Total Days

877



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NCCU Business and Finance

Redefining excellence through transparent, ethical, strategic stewardship of resources, ensuring lasting financial strength, and fostering a culture of operational efficiency and effectiveness through continuous improvement.