NCCU BOARD OF TRUSTEES

June 24, 2026

Business and Finance Division

Finance Update

Laurie Wilcox
Vice Chancellor for
Business and Finance/CFO

WHERE PURPOSE TAKES FLIGHT

- Operational Updates
- FY26 Projection Update
- Composite Financial Index
- Legislative Update and FY27 Impact
- Richmond Hall Funding

Operational Updates

Key Hires

Robert Thibeault

Assoc. VC for Financial Ops & Deputy CFO

Ashley Hill

Director of Purchasing

Key Searches

Assistant VC for Auxiliary
& Business Services

Director of Financial Administration
Systems Team

Management Reporting

Reports in Draft:

- **Budget Variance Report,** includes a year-end projection & 2 years of history
- **Fund Balance Report,** includes usage guidelines/donor terms
- **Transaction Detail Report**
- **Encumbrance/Purchase Order Report**

Current Budget Variance Report

FGIBAVL_By_ORG 6xxxx										
Run Date:	5/22/2026 6:06:03 AM									
							ADJUSTED	YEAR TO DATE		AVAILABLE
	FUND	ORG	ACCT	PRGM	FUND Name	ORG Name	ACCT Name	BUDGET	ACTIVITY	ENCUMBRANCE	BALANCE
	200209	61030	611100	209			EPA Administrative Salary	$51,500.00	$45,833.37	$0.00	$5,666.63
	200209	61030	618100	209			Social Security	$3,940.00	$3,506.25	$0.00	$433.75
	200209	61030	72000P	209			Supplies BPL 4	$5,000.00	$10,308.28	$0.00	($5,308.28)
	200209	61030	73100P	209			Purch Serv Travel BPL 4	$30,000.00	$40,453.45	$1,749.00	($12,202.45)
	200209	61030	73200P	209			Communication BPL 4	$500.00	$222.56	$0.00	$277.44
	200209	61030	73600P	209			Freight/Express BPL 4	$0.00	$0.00	$0.00	$0.00
	200209	61030	73900P	209			Purch Contract Serv BPL 4	$5,000.00	$6,378.22	$0.00	($1,378.22)
	200209	61030	74000P	209			Fixed Charges/ Oth Exp/ Adj BPI	$0.00	$3,124.46	$0.00	($3,124.46)
	200209	61030	74600P	209			Fixed Charges/Oth Exp BPL 4	$1,500.00	$749.00	$0.00	$751.00
	200209	61030	76510P	209			Appropriated Grants BPL 4	$176,000.00	$152,914.16	$0.00	$23,085.84
Subtotal ORG 61030								$273,440.00	$263,489.75	$1,749.00	$8,201.25
	600209	61000	72000P	209			Supplies BPL 4	$6,394.00	$3,395.53	$2,998.23	$0.24
	600209	61000	73600P	209			Freight/Express BPL 4	$50.00	$0.00	$0.00	$50.00
	600209	61000	73900P	209			Purch Contract Serv BPL 4	$6,823.00	$0.00	$1,300.00	$5,523.00
Subtotal ORG 61000								$13,267.00	$3,395.53	$4,298.23	$5,573.24

- No Revenues, Expenses Only
- No View to Operating Margin and Fund Balance Impact

New Budget Variance Report - *Draft*

Fiscal Year: 2026 Fiscal Period: 11 - May

Report Date/Time:5/24/2026 3:26:05 PM

University (Orgn Lvl1): All Orgns
Division (Orgn Lvl2): All Orgns
Subdivision (Orgn Lvl3): 61000 -
College/Dept Grp (Orgn Lvl4): All Orgns
Department (Orgn Lvl5): All Orgns

Fund Type Lvl1: All Fund Types
Fund Type Lvl2: All Fund Types
Fund(s): 600209

	Current Year	FY2026						Prior Year 1	FY2025			Prior Year 2	FY2024		
	Original Budget	Adjusted Budget	YTD Actuals	YTD Encumb.	Available Budget	YTD Act as % of Budget	Projection	YTD Actuals	YTD Encumb.	Final	YTD Act as % of Final	YTD Actuals	YTD Encumb.	Final	YTD Act as % of Final
Revenues															
Other Operating Revenues															
507900 Miscellaneous Income	$ -	$13,267	$188,114	$ -	($174,847)	1418%	$188,114	$137,075	$ -	$137,075	100%	$ -	$ -	$ -	0%
Subtotal: Other Operating Revenues	**$ -**	**$13,267**	**$188,114**	**$ -**	**($174,847)**	**1418%**	**$188,114**	**$137,075**	**$ -**	**$137,075**	**100%**	**$ -**	**$ -**	**$ -**	**0%**
Total Revenues	**$ -**	**$13,267**	**$188,114**	**$ -**	**($174,847)**	**1418%**	**$188,114**	**$137,075**	**$ -**	**$137,075**	**100%**	**$ -**	**$ -**	**$ -**	**0%**
Expenses:															
Supplies and Materials															
72000P Supplies BPL 4	$ -	$6,394	$ -	$ -	$6,394	0%	$ -	$ -	$ -	$ -	0%	$ -	$ -	$ -	0%
729900 Other Supplies - Miscellaneous	$ -	$ -	$3,396	$2,998	($6,394)	0%	$3,396	$ -	$ -	$ -	0%	$ -	$ -	$ -	0%
Subtotal: Supplies and Materials	**$ -**	**$6,394**	**$3,396**	**$2,998**	**$ -**	**0%**	**$3,396**	**$ -**	**$ -**	**$ -**	**0%**	**$ -**	**$ -**	**$ -**	**0%**
Services															
73600P Freight/Express BPL 4	$ -	$50	$ -	$ -	$50	0%	$ -	$ -	$ -	$ -	0%	$ -	$ -	$ -	0%
73900P Purch Contract Serv BPL 4	$ -	$6,823	$ -	$ -	$6,823	0%	$ -	$ -	$ -	$ -	0%	$ -	$ -	$ -	0%
739900 Other Current Services	$ -	$ -	$ -	$1,300	($1,300)	0%	$ -	$ -	$ -	$ -	0%	$ -	$ -	$ -	0%
Subtotal: Services	**$ -**	**$6,873**	**$ -**	**$1,300**	**$5,573**	**0%**	**$ -**	**$ -**	**$ -**	**$ -**	**0%**	**$ -**	**$ -**	**$ -**	**0%**
Total Expense	**$ -**	**$13,267**	**$3,396**	**$4,298**	**$5,573**	**0%**	**$3,396**	**$ -**	**$ -**	**$ -**	**0%**	**$ -**	**$ -**	**$ -**	**0%**
Net Margin - Add to (Use of) Reserves	**$ -**	**$ -**	**$184,718**	**($4,298)**	**($180,420)**	**0%**	**$184,718**	**$137,075**	**$ -**	**$137,075**	**0%**	**$ -**	**$ -**	**$ -**	**0%**

Fund Balance Report - *Draft*

Fiscal Year: 2026 Fiscal Period: 11 - May Report Date/Time: 5/24/2026 4:27:36 PM

University (Orgn Lv l1): All Orgns
Division (Orgn Lv l2): 60
Department (Orgn Lv l5): 610000
Fund Type Lv l1: All Fund Types
Fund Type Lv l2: All Fund Types

Division (Org L2)	Resp. Org (L5-Dept)	Fund Code	Fund Title	Fund Manager	Beginning Balance	Revenues	Expenses	Transfers	Ending Balance	*Encum brances*	*Est. Ending*	Purpose/Terms (FOATEXT)
60 xxxx	610000 xxxxx	558205		Sam Smile	**$227,990**	**$0**	**-$610**	**$0**	**$228,600**	***$0***	***$228,600***	To track revenues and expenses for a fundraising activities to measure the return on investments
60 xxxx	610000 xxxxx	600207		John Doe	**$432,403**	**$0**	**-$558**	**$0**	**$432,961**	***$0***	***$432,961***	
60 xxxx	610000 xxxxx	600209		John Doe	**$137,075**	$188,114	$3,396	$0	**$321,794**	*$4,298*	***$317,496***	For general department operating support.
60 xxxx	610000 xxxxx	601207		John Doe	**$44,603**	$0	$0	$0	**$44,603**	*$0*	*$44,603*	For Lab Equipment Replacement
60 xxxx	610000 xxxxx	610209		John Doe	**-$23,148**	$76,526	$3,136	$0	**$50,242**	*$6,362*	*$43,880*	Award $2500 annual scholarship to graduating Hillside High School Student studying biology with a 3.25 GPA. May be renewing for 4 years if GPA is maintained.
60 xxxx	610000 xxxxx	617207		John Doe	**$8,119**	$0	$0	$0	**$8,119**	*$0*	*$8,119*	
Total					**$827,042**	**$264,640**	**$5,364**	**$0**	**$1,086,319**	***$10,661***	***$1,075,658***	

Financial Updates

FY26 Financial Projection Update
(FY26 7/1/2025-6/30/2026)

- Key Changes since March Report:
  - Additional Personnel Savings projected:
    - Continued Strategic Hiring
    - Benefit Plan Assumption Adjustments – fewer State plans (10% higher than ORP)
  - $2.1M in Increased non-personnel costs
    - Largely due to repair and maintenance costs, utility cost increases and better-informed dining projection.
  - $2.8M Consolidated Increase to Reserves
    - $1.6M lower than March but $800K better than budget.
  - NOTE: $1.0M of State Management Flex Carryforward is still anticipated.

North Carolina Central University
FY26 All-Funds Budget

(Based on June 19, 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**

March Financial Projection - based on Feb 2026 Data					
Change in Fund Balance	**$ -**	**$ 900,730**	**$ -**	**$ 3,196,950**	**$ 4,097,680**

Financial Projection - June 22, 2026 (June 2026 BOT)	General Fund	Auxiliary & Other Trust Funds	Overhead/ F&A Receipts	Restricted Trust Funds	Total
Revenues:					
State Appropriations	$ 100,301,918	$ -	$ -	$ -	**$ 100,301,918**
Revenues	$ 54,137,601	$ 73,362,701	$ 4,600,000	$ 4,498,966	**$ 136,599,268**
Contracts & Grants	$ -	$ -	$ -	$ 129,102,870	**$ 129,102,870**
Revenues Total	$ 154,439,519	$ 73,362,701	$ 4,600,000	$ 133,601,836	**$ 366,004,056**
Expenses:					
Personnel	$ 113,910,079	$ 21,721,353	$ -	$ 477,081	**$ 136,108,513**
Non-Personnel	$ 42,515,705	$ 52,761,397	$ 610,672	$ 1,803,298	**$ 97,691,072**
Contract & Grant Expense	$ -	$ -	$ -	$ 129,102,870	**$ 129,102,870**
Expenses Total	$ 156,425,785	$ 74,482,749	$ 610,672	$ 131,383,249	**$ 362,902,455**
Operating Margin	**$ (1,986,266)**	**$ (1,120,048)**	**$ 3,989,328**	**$ 2,218,587**	**$ 3,101,602**
Net Transfers/Capital -Revenue (Expense)	$ 1,986,266	$ 1,231,623	$ (3,989,328)	$ 500,000	**$ (271,439)**
Change in Fund Balance	**$ -**	**$ 111,575**	**$ -**	**$ 2,718,587**	**$ 2,830,162**

FY26 University Endowment Update

Portfolio Manager	FMV 12/31/25	FMV 3/31/2026	% Change
UNCMC	$56.4M	$61.6M	9.22%
Xponance	$16.7M	$16.4M	(1.8)%
Total	**$73.1M**	**$78.0M**	**6.7%**

UNCMC vs Xponance	1 Year (%)	3 Years (%)	5 Years (%)	ITD (%)*
UNCMC	26.82	14.95	11.54	9.01
Xponance	17.8	18.32	12.06	10.98

UNCMC vs SIPP	1 Year (%)	3 Years (%)	5 Years (%)	ITD (%)*
UNCMC	26.82	14.95	11.54	9.01
SIPP	14.12	9.67	7.26	7.60

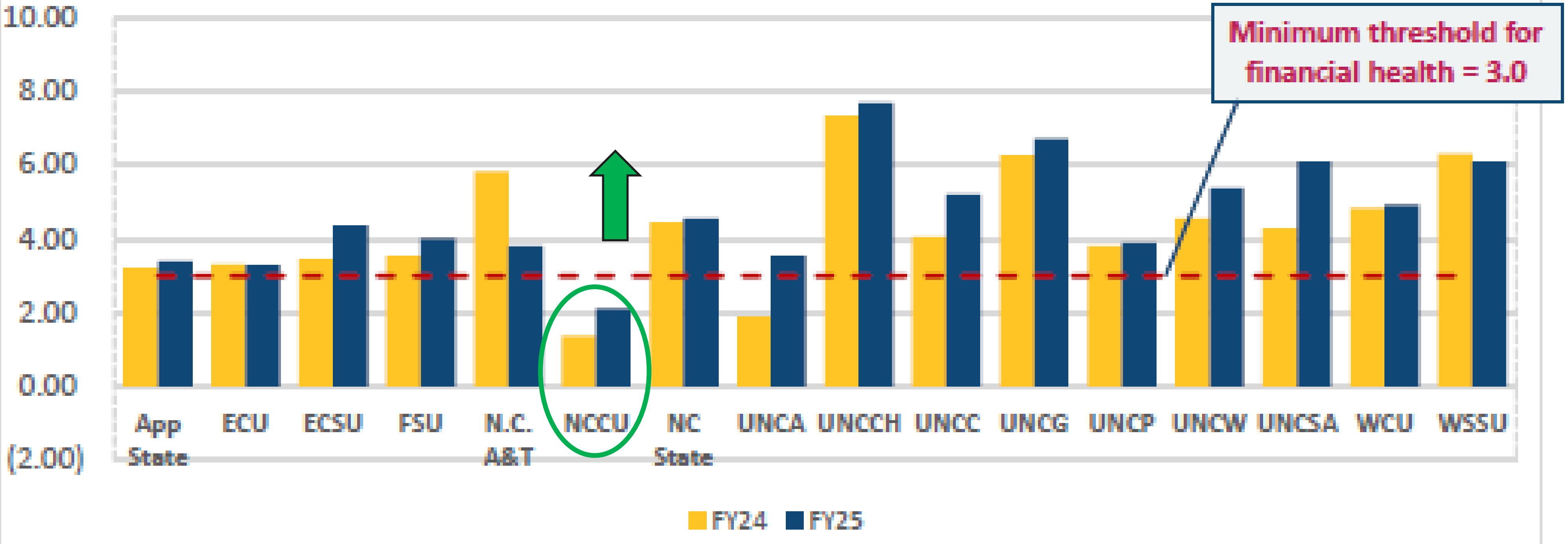
*Inception to Date (ITD): July 1, 2006 UNCMC; June 30, 2003 Xponance

Note: NCCU Foundation FMV as of 3/31/2026 is $31.2M

NCCentral UNIVERSITY

Composite Financial Index

CFI – Composite Score

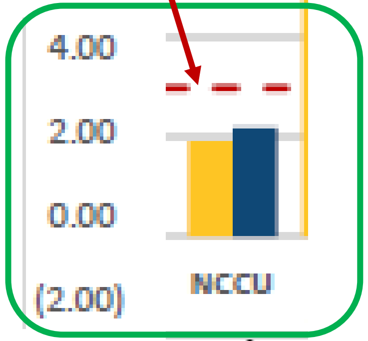


Ratio Performance	Institution(s)
Ratio > 3.0 and improved in 2025	ASU, ECSU, FSU, NCSU, UNCA, UNC-CH, UNCC, UNCG, UNCP, UNCW, UNCSA, WCU
Ratio > 3.0 but declined in 2025	ECU, NC A&T, WSSU
Ratio < 3.0 but improved in 2025	NCCU
Ratio < 3.0 and declined in 2025	None

FY24 FY25

Composite Financial Index

Minimum threshold for financial health = 3.0



Primary Reserve Ratio (35%)

How much does the institution have in reserve?

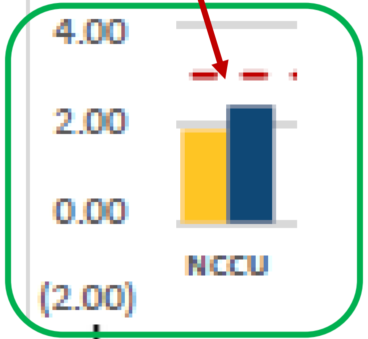
Expendable Net Position/
Total Expenses

Viability Ratio (35%)

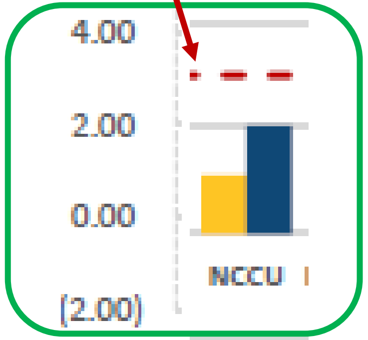
Can the institution cover its debts?

Expendable Net Position/
Plant-Related Debt

Minimum threshold for financial health = 3.0



Minimum threshold for financial health = 3.0



Return on Net Position Ratio (20%)

Is the institution's financial strength improving?

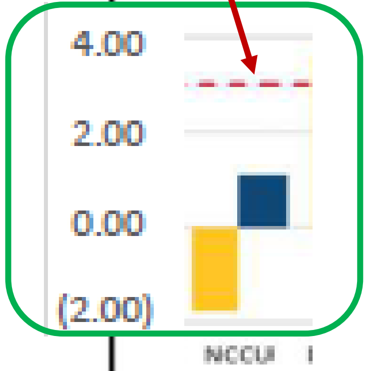
Change in Net Position/
Total Net Position

Net Operating Revenues Ratio (10%)

Is the institution living within its means?

Net Operating Income/
Total Operating Income

Minimum threshold for financial health = 3.0



Becoming Financially Healthy

- **A FY25 Quantitative Perspective**

CFI Component Ratios	By the Numbers
Primary Reserve *Expendable Net Position/Total Expenses*	• Target ratio is 40% or higher (FY25 = 36%) • $11.1M add'l net assets needed @ current expense levels
Viability *Expendable Net Position/Plant-Related Debt*	• Target ratio is 1.25x or higher (FY25 = 1.24x) • $1.1M add'l net assets given our current debt levels.
Return on Net Position *Change in Net Position/Total Net Position*	• Target ratio is 6.0% or higher (FY25 = 4.08%) • $7.4M add'l Change in Net Position needed (FY25 = $15.7M)
Net Operating Revenues *Net Operating Income/Total Operating Income*	• Target ratio of 3.9% or higher (FY = 1.43%) • $7.6M add'l Net Operating Income needed (FY25 = $4.3M)

CFI Improvement Strategies Cont’d

- **Net Operating Revenues:** Ensure operating revenues consistently exceed operating expenses generating operating surpluses.

General Actions	Example NCCU Alternatives/Actions/Opportunities
Diversify revenue streams	• Seek grants to support existing operations (ie provides replacement funding) • Increase Conference and Event Revenues • Evaluate Endowment draw policy
Actively optimize expenses	• Shift expenses in support of revenue generating opportunities • Evaluate outsourcing opportunities • Targeted enrollment growth to ensure all classes are full • Increase minimum class size where possible
Reduce operating expenses	• Review service contracts to: - Eliminate redundancy - Eliminate unnecessary billed components/modules • Utilize spend data for strategic procurement savings

CFI Improvement Strategies Cont'd

- **Return on Net Assets:** Grow your total net assets year over year. (Impacted by *Net Operating Revenues* performance)

General Actions	Example NCCU Alternatives/Actions/Opportunities
Optimize investment portfolio returns	• Review Management Fees structure(s) • Review investment strategy/policy • Review Fund Manager Performance
Restrict capital expenditures to strategic initiatives	• Leverage external support for capital expenditures (i.e. State, Donors)
Ensure strong fundraising campaigns	• Establish fundraising targets for gift officers • Leverage existing partnerships

Other considerations: Disposal of Undepreciated Assets

CFI Improvement Strategies

- **Primary Reserve Ratio:** Increase unrestricted net assets and cash reserves.

General Actions	Example NCCU Alternatives/Actions/Opportunities
Build operating surpluses to add to reserves	*See Net Operating Revenues above*
Scale back deferred maintenance	Obtain external support for deferred maintenance (State $100M; donor support)
Minimize related-party receivables	Revise student billing practices: • Lower Student Validation Threshold • Change Refund Practices (non-Title IV required refunds issued upon request)

CFI Improvement Strategies Cont'd

- **Viability Ratio:** Reduce reliance on long-term debt to manageable levels. Action: Pay down outstanding liabilities and strategically build expendable net assets that exceed your total debt burden.

General Actions	Example NCCU Alternatives/Actions/Opportunities
Pay down outstanding liabilities	• Examine long-term debt • Example capital leases
Strategically build expendable net assets	*See strategies employed in previous metrics*
Limit new debt	

Legislative Update

Candace Bowden

NCCentral UNIVERSITY

NCCU LEGISLATIVE PRIORITIES

Three critical requests to support enrollment growth, campus infrastructure, and capital improvement.

ENROLLMENT GROWTH FUNDING

$158,829,874

UNC System Total

Adjusts funding for 1.6% SCH growth in 2024

Adjusts funding for 3.7% SCH growth in 2025

92% of growth in **STEM** and **business** programs

Includes NC Promise support

SELF-LIQUIDATING BILL (H.B. 1123)

$20,000,000

Authorizes non-state financing for **Richmond Residence Hall Renovation – Phase I** via gifts, grants, and special obligation bonds.

CAMPUS-WIDE CAPITAL & INFRASTRUCTURE

$100,000,000

Addresses **critical HVAC failures** and building envelope deficiencies.

Four temporary chillers cost **more than $30,000 per month** per building.

Mold concerns

Inadequate heating and cooling

$109.67M

TOTAL LEGISLATIVE INVESTMENT

Combined legislative investment NCCU would receive through these priority requests.

$9.67M

ENROLLMENT FUNDING INCREASE

Combined enrollment growth funding for FY 2024 and FY 2025.

$2.42M received
$7.25M outstanding

BIPARTISAN ADVOCACY EFFORTS

Building bipartisan relationships and advancing NCCU's legislative priorities.

HOUSE OUTREACH

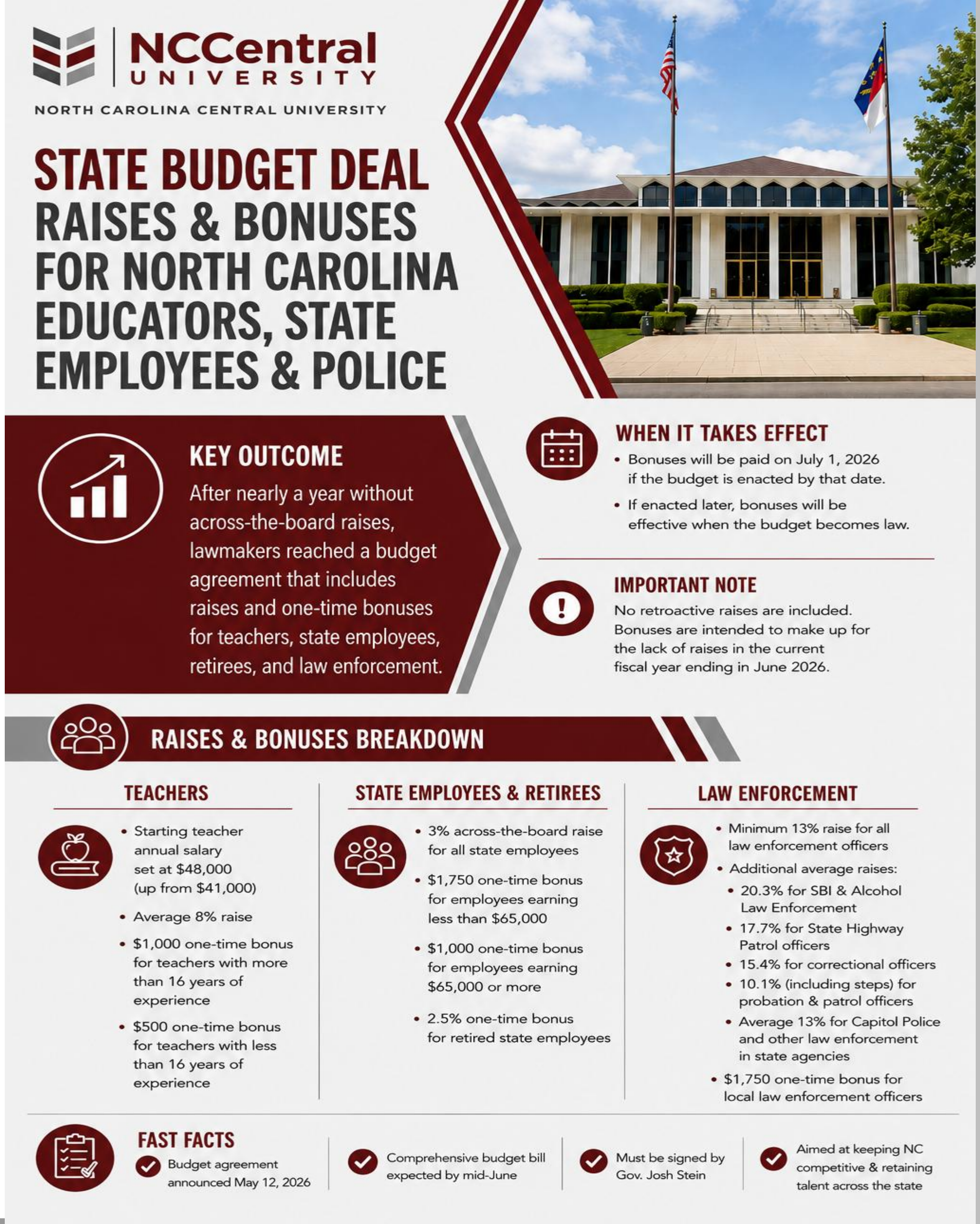
Met with Speaker of the House Destin Hall, House Rules Chair John Bell, House Majority Leader Brenden Jones, multiple House appropriators, and multiple House Education Committee chairs.

SENATE OUTREACH

Met with Senate President Pro Tempore Phil Berger, Senate Majority Leader Michael Lee, former Senate Minority Leader Dan Blue, all Senate budget appropriators, and all Senate Education Committee chairs.

ADDITIONAL ADVOCACY

Met with the Durham Delegation at the beginning of the short session to review legislative priorities and hosted two legislative receptions—one at the beginning of each session.



Budget Status

- The House and the Senate have agreed on a budget deal, which is <u>not</u> a full comprehensive budget.

- State employees would receive a 3% across-the-board raise, one-time bonuses ranging from $1,000 to $1,750 based on salary level, and retirees would receive a 2.5% one-time bonus.

- Law enforcement personnel would receive a minimum 13% pay increase, with additional raises for certain agencies and positions, as well as a $1,750 one-time bonus for local law enforcement officers.

State Budget – Est. FY27 Financial Impact

- $405K for 3% Salary Increase – *Not in the FY27 Budget Plan*
  - $0 for State-funded positions
    (additional State funding would be provided to cover the cost increase - salary & benefits)
  - $405K for Trust & Auxiliary positions, if effective July 1

- $300K for One-time Bonuses – *Not in the FY27 Budget Plan*
  ($1,750 <$65K salary & $1,000 >=$65K)

State Budget – Still watching

- Budget Cuts – *FY27 Budget contains some contingency*
- Enrollment Funding – FY27 assumes $7.3M

  ($2.3M remainder for FY24 growth & $5.0M for FY25 growth)
- Capitol Infrastructure Funding Request – *Nothing assumed in FY27*
- Sports Wagering Funding – *No Tax Rate changes assumed in FY27*

Richmond Hall Project Funding

Richmond Hall Project Funding

Initial BOT Approved Request:

$20M Self-Liquidating Loan

New Request:

$16M Self-Liquidating Loan

$4M Infrastructure Fee Reserves*

$20M Total

Year 1 (FY29)	$20M Loan	$16M Loan
Debt Service Amt	$1.12M	$1.07M
Debt Service Coverage	1.05	1.54
Annual Surplus	$60K	$600K

Project Timeline: Jul 1, 2026 – Aug 1, 2028			
Cashflow Overview	Reserves	Loan	Total
Year 1 – FY27	$1.7M		**$1.7M**
Year 2 – FY28*	$1.3M	$16.0M	**$17.3M**
Year 3 – FY29	$1.0M		**$1.0M**
Total	**$4.0M**	**$16.0M**	**$20.0M**
*estimate $200K July & $1.1M June			

*Funding source with stringent usage rules.
*$480K annual fee surplus to help support the debt service payment.
*Will serve as the source for all advanced planning expenses.

NCCentral UNIVERSITY

NCCentral
UNIVERSITY

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.