NORTH CAROLINA CENTRAL UNIVERSITY

NCCU BOARD OF TRUSTEES
Sept. 23, 2026

DIVISION OF BUSINESS AND FINANCE

Finance Update

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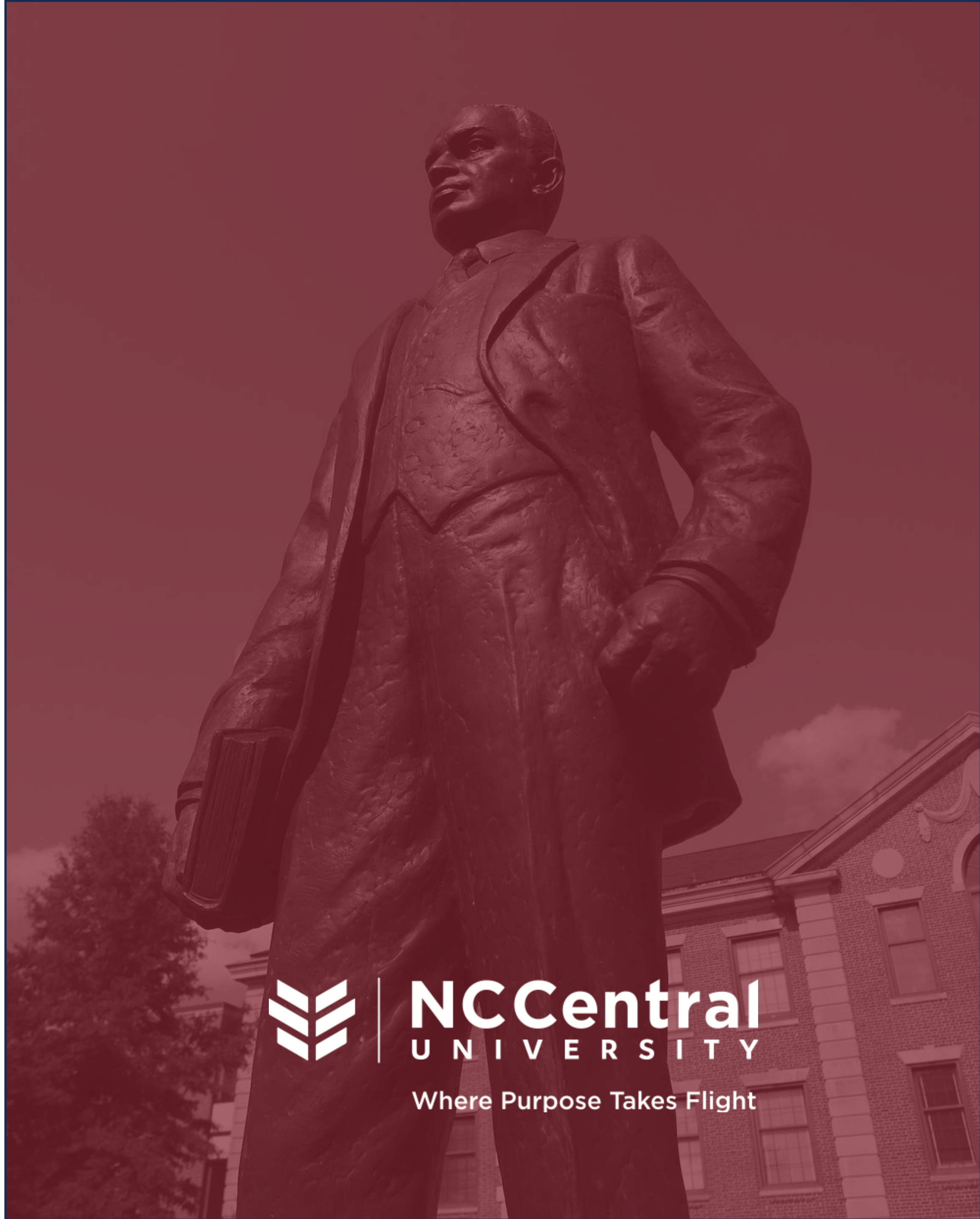
Vice Chancellor for Business and Finance/CFO



FY26 Preliminary Year-End Results (Pre-Audit)

Strong Year-End Result (positive CFI impact):

- **$13.1M One-time Increase to Reserves**
  - $7.0M increase due to one-time savings from ongoing strategic hiring practices and conservative projections allowing for a reallocation of state expenses from non-state sources.
  - $6.1M *temporary* increase due to timing (FY26 revenue/FY27 expense):
    - $1.9M in delayed facilities expenses
    - $2.2M in delayed spending of forward-funded grants
    - $2.0M in other restricted revenue
- **$19M NCCU Endowment Investment Pool Growth** (6/30/26 vs 6/30/25)
  - UNCMC 1Year (%) = 37.67
  - Xponance 1 Year (%) = 27.59

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FY26 Preliminary Year-End Results (Pre-Audit)

FY26 Approved All-Funds Budget (as of May 2025)	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 - Add to (Use of) Reserves	**$ -**	**$ 1,070,000**	**$ (376,000)**	**$ 1,300,000**	**$ 1,994,000**

June Financial Projection - based on May 2026 Data					
Change in Fund Balance	**$ -**	**$ 111,575**	**$ -**	**$ 2,718,587**	**$ 2,830,162**

FY26 Year-End Preliminary Results (Pre-Audit)	General Fund	Auxiliary & Other Trust Funds	Overhead/ F&A Receipts	Restricted Trust Funds	Total
Revenues:					
State Appropriations	$ 102,161,267	$ -	$ -	$ -	**$ 102,161,267**
Revenues	$ 53,197,737	$ 78,797,726	$ 4,929,416	$ 5,160,420	**$ 142,085,299**
Contracts & Grants (net)	$ -	$ -	$ -	$ 169,897,956	**$ 169,897,956**
Revenues Total	$ 155,359,004	$ 78,797,726	$ 4,929,416	$ 175,058,376	**$ 414,144,522**
Expenses:					
Personnel	$ 118,347,215	$ 17,809,184	$ -	$ 563,886	**$ 136,720,285**
Non-Personnel	$ 38,129,853	$ 50,682,663	$ 981,551	$ 5,095,564	**$ 94,889,631**
Contract & Grant Expense (net)	$ -	$ -	$ -	$ 166,625,150	**$ 166,625,150**
Expenses Total	$ 156,477,068	$ 68,491,847	$ 981,551	$ 172,284,600	**$ 398,235,066**
Operating Margin	**$ (1,118,064)**	**$ 10,305,879**	**$ 3,947,865**	**$ 2,773,776**	**$ 15,909,456**
Net Transfers/Capital- Revenue (Expense)	$ 1,118,064	$ (1,970,758)	$ (6,115,995)	$ 4,180,337	$ (2,788,352)
Change in Fund Balance - Add to (Use of) Reserves	**$ -**	**$ 8,335,121**	**$ (2,168,131)**	**$ 6,954,113**	**$ 13,121,103**

FY27 Projection Highlights

FY27 is starting with a structural $2.6M operating shortfall due to $4.7M in non-recurring Enrollment Funding (of which $2.4M is a roll-back of an enrollment funding reallocation received in FY26)

$1.1M Net State Impact (one-time)

- $1.4M one-time Carryforward from FY26
- Plus $600K Sports Wagering Revenue Increase
- Less $900K cost for Unfunded Salary Increases & one-time Bonuses for Non-State Funded Employees
- Net $0 impact for State-funded Personnel and Workforce Program support (Revenue Adj = Expense Adj)

$3.3M Net Enrollment Impact (recurring) (+500 Fall Students)

- $7.3M increase in Tuition, Fee, and Auxiliary revenues
- Less $4.0M for academic support (instruction/technology)

Note: Funding to be used for strategic reinvestments (i.e., student engagement) and support other budget realignments to mitigate pressures felt by delays in State enrollment funding support.

$6.1M in FY26 Funded Expenses (one-time)

- Deferred facilities costs, forward-funded grants, and additional restricted revenues are expected to have a one-time cost impact in FY27.
- OM Impact partially defrayed by $1.1M State Increase

FY27 Projection

FY 2026-27 All-Funds Budget (BOT Approved)	General Fund	Auxiliary & Other Trust Funds	Overhead/F&A Receipts	Restricted Trust Funds	Total
Revenues Total (Including Appropriations)	$ 164,177,000	$ 76,237,000	$ 4,951,000	$ 160,768,000	**$ 406,133,000**
Expenses Total	$ 164,757,000	$ 68,005,000	$ 4,951,000	$ 160,557,000	**$ 398,270,000**
Net Transfers	$ 582,000	$ (8,009,000)	$ -	$ -	**$ (7,427,000)**
Change in Fund Balance	**$ -**	**$ 223,000**	**$ -**	**$ 211,000**	**$ 434,000**
Projection - Annual Recurring Impact					
Revenues Total	168,053,000	80,481,000	4,951,000	160,768,000	414,253,000
Expenses Total	172,675,000	71,234,000	4,951,000	160,557,000	409,417,000
Net Transfers	582,000	(8,009,000)	-	-	(7,427,000)
Change in Fund Balance - Surplus (Deficit)	**(4,040,000)**	**1,238,000**	**-**	**211,000**	**(2,591,000)**
FY27 Projection - One-time Impact					
Revenues Total	6,390,000	(350,000)	-	-	6,040,000
Expenses Total	2,350,000	1,985,000	-	4,100,000	8,435,000
Net Transfers	-	-	-	-	-
Change in Fund Balance - Surplus (Deficit)	**4,040,000**	**(2,335,000)**	**-**	**(4,100,000)**	**(2,395,000)**
FY27 Projection - Recurring & Non-Recurring Impact					
Revenues Total	174,443,000	80,131,000	4,951,000	160,768,000	420,293,000
Expenses Total	175,025,000	73,219,000	4,951,000	164,657,000	417,852,000
Net Transfers	582,000	(8,009,000)	-	-	(7,427,000)
Change in Fund Balance - Surplus (Deficit)	**-**	**(1,097,000)**	**-**	**(3,889,000)**	**(4,986,000)**
Increase (Decrease) from FY27 AFB	**-**	**(1,320,000)**	**-**	**(4,100,000)**	**(5,420,000)**

Included $2M One-time Wifi Project Exp.

Structural Issue for FY28 (due to $4.7M Non-recurring Enrollment Funding)

Non-Recurring Enrollment Funding & FY26 Carryforward

F26 Forward-funded/ Delayed Spending & Wifi Project

FY27 Budget vs Projection Crosswalk

	Recurring	One-time	Total
FY27 Approved AFB	**2.4**	**-2.0**	**0.4**
Enrollment Funding	-4.7	4.7	0.0
State One-time Carryforward		1.4	1.4
State Sports Wagering	0.6		0.6
State 3% Salary Increase (non-state supported)	-0.6	-0.3	-0.9
Tuiton, Fee, Room, Board Revenue	7.3		7.3
Academic Support	-4.0		-4.0
Other Enrollment Support (eg. Dining)	-0.1		-0.1
Strategic Reinvestments	-1.5		-1.5
Net Budget Realignments/Adjustments	-1.8		-1.8
Flag Football	-0.2		-0.2
Facilities Delayed FY26 Expenses		-1.9	-1.9
Subtotal General/Aux/Trust Fds	**-2.6**	**1.9**	**-0.7**
Restricted Forward-Funded Spending		-4.2	-4.2
FY27 Projection	**-2.6**	**-2.3**	**-4.9**

Does not depict the net OM neutral adjustments from the State, whereby the new expenses are supported dollar for dollar by new revenues.

Key Take-aways

- FY26 CFI score will be improved by FY26 results but part of this is temporary (delayed spending)
  - Actual score not known until the spring following completed audits (incl. Associated Entities)

- FY27 has a structural $2.6M operating shortfall due to the $4.7M in non-recurring Enrollment Funding

- FY27 is projected to end the year with a Use of Reserves, largely due to:
  - Timing of Facilities Expenses
  - Restricted Revenue and Expense Timing Differences (FY26 Revenues/FY27 Expenses)

- FY28 Planning starts with a $2.6M shortfall adding further strain on a campus improving its fiscal health while supporting compounding enrollment growth *(for which State funding is no longer guaranteed)* and tackling deferred maintenance.

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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.