CAL POLY POMONA
ENTERPRISES

# Financial Budget Presentation

Academic Senate – Budget Committee
10/28/2026

# Quick Overview of CPPE

We are a 501c3 non-profit corporation that aims to act like a for profit to optimize returns either financially or intrinsically to the University.

- We are completely self-supporting, legally independent, but governed by a Board of Directors.
- We exist to mitigate risk exposure to the University.
- We exist to manage certain funds on behalf of the University.
- We exist to provide expected campus amenities/support (Dining, Bookstore, support programs, etc.) to the University that is not funded by the State.

# CPPE Financial Support to the University

- Direct Funding
  - Designated Gift
  - Program & Event Support

- Indirect & Overhead Funding
  - Reimbursement to University
  - Program Subsidies

- Student Compensation
  - Employment & Internships

- Direct Student Financial Support
  - Scholarships & Subsidies



# Designated Gift

- Pre-pandemic - $1M to $2M
- 2020-2021 (pandemic low) - $213,231
- This year (budget) - $.6M

# Student Financial Support

- Direct Scholarships: $50,000
- Regalia partnership: $7,000
- Instant Access Complete subsidy: $40,000+

# Program & Event Support

- $2.5M in filming revenue
- Over $200k in programs/events



# Reimbursements & Subsidies

- $11M – $15M  annually
  - Bond payments
  - Building & grounds maintenance
  - Utilities
  - Scholarships & stipends
  - Salaries reimbursement
  - Revenue share
- Grant Post-award “subsidy”
  - 2017 analysis @ 11.08%
  - Currently receive 4.5%
  - Subsidy = $1.77M for 25/26





# In other words...

We exist for you, for me, for us. Moving at the speed of student & industry.



# Our Mission -

*"Enhance the university and community experience through optimized solutions and resource generation that empower student success."*

- Being co-curricular where applicable:
  - Restaurant Property Development course in Collins College of Hospitality
  - MSBA project within the College of Business
  - Micro-Internships w/CPPE HR
  - Apparel Merchandising and Management Collaboration
  - Fixing the clock on building 66!

- Asking ourselves – "Does this support recruitment or retention, and generate revenue for the institution?"

# Main Revenue Streams Include

1. Commercial Services Group:
   - CPP Dining Services
   - Bronco Bookstore
   - Kellogg West Hotel & Conference Center
2. CPPE Housing Services & Real Estate
   - 2nd Year+ Student Housing (University Village and the Current Apartments)
   - Faculty / Staff Housing
   - Innovation Village
   - Filming
3. Indirect Cost Recovery
   - Sponsored Programs

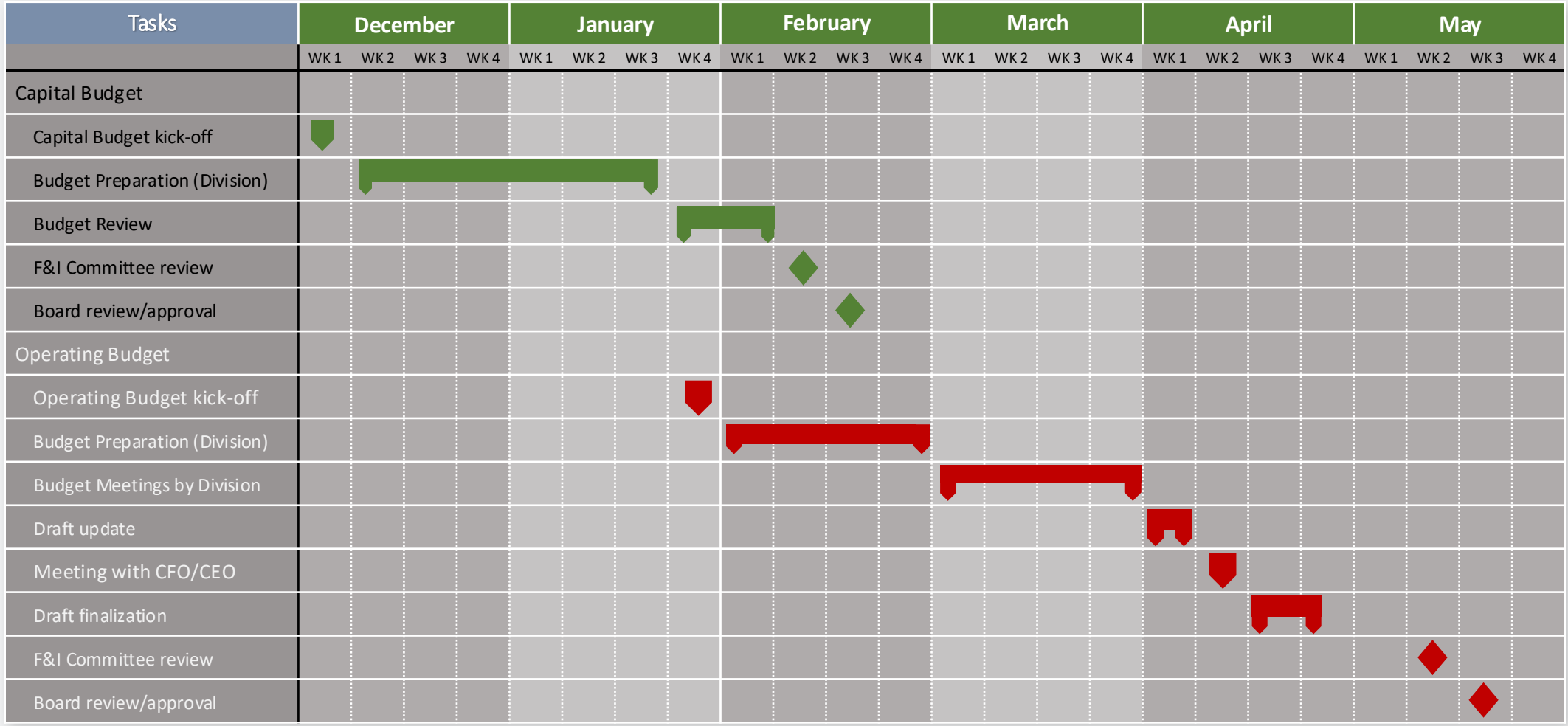
*Agricultural Enterprises & Continuing Ed (CPGE) are considered as revenue streams, but we act as administrative oversight entity.

# Budget Process

- Our budgeting process differs slightly from the traditional process most of us are used to from the University perspective - - in that we factor in, but isn't limited to, student economic trends, broader economic outlook, price elasticity, and anticipated university needs or budgetary constraints.
- However, we are generally aligned and follow the University with a July through June fiscal year.
- Budgets are largely focused around the revenues generated from the prior/current year, and assumptions we can make for the upcoming year.

# Budget Process Cont'd

## Budget Timeline



# Capital Budget 2026-2027

**Total Budget**
$4.72M new capital requested ($5.84M total incl. carryover)

**Major Investments**

- **Kellogg West ($2.4M):** Marriott branding + facility upgrades
- **Student Housing ($1.05M):** HVAC, boilers, parking, safety
- **Administration ($620K):** includes $550K contingency
- **Dining Services ($235K):** equipment + retail refresh

**Priorities & Key Takeaways**

- Focus on deferred maintenance, safety, and asset renewal
- Investment concentrated in Kellogg West & Student Housing
- Includes major strategic initiative (Marriott branding)
- Emphasis on upgrading existing infrastructure vs. new builds
- Maintains contingency for unexpected needs



# Budget Process Cont'd

## General Budget Assumptions For Current Year - operating

- Enrollment at 23,496 for FY25-26 with remaining flat up to FY30-31
- Village occupancy at 98% (1,200 beds) during highest occupancy months, Current occupancy 99% with 1% credit risk allowance.
- Overall inflationary increase for general expenses at 3.5%.
- Compensation
  - California minimum wage will increase to $17.58 per hour, effective January 1, 2026 and exempt employees must earn at least twice the minimum wage or $35.16 per hour.
  - CA Fast Food Workers Min Wage at $20.70 per hour.

# 2026-2027 Budget

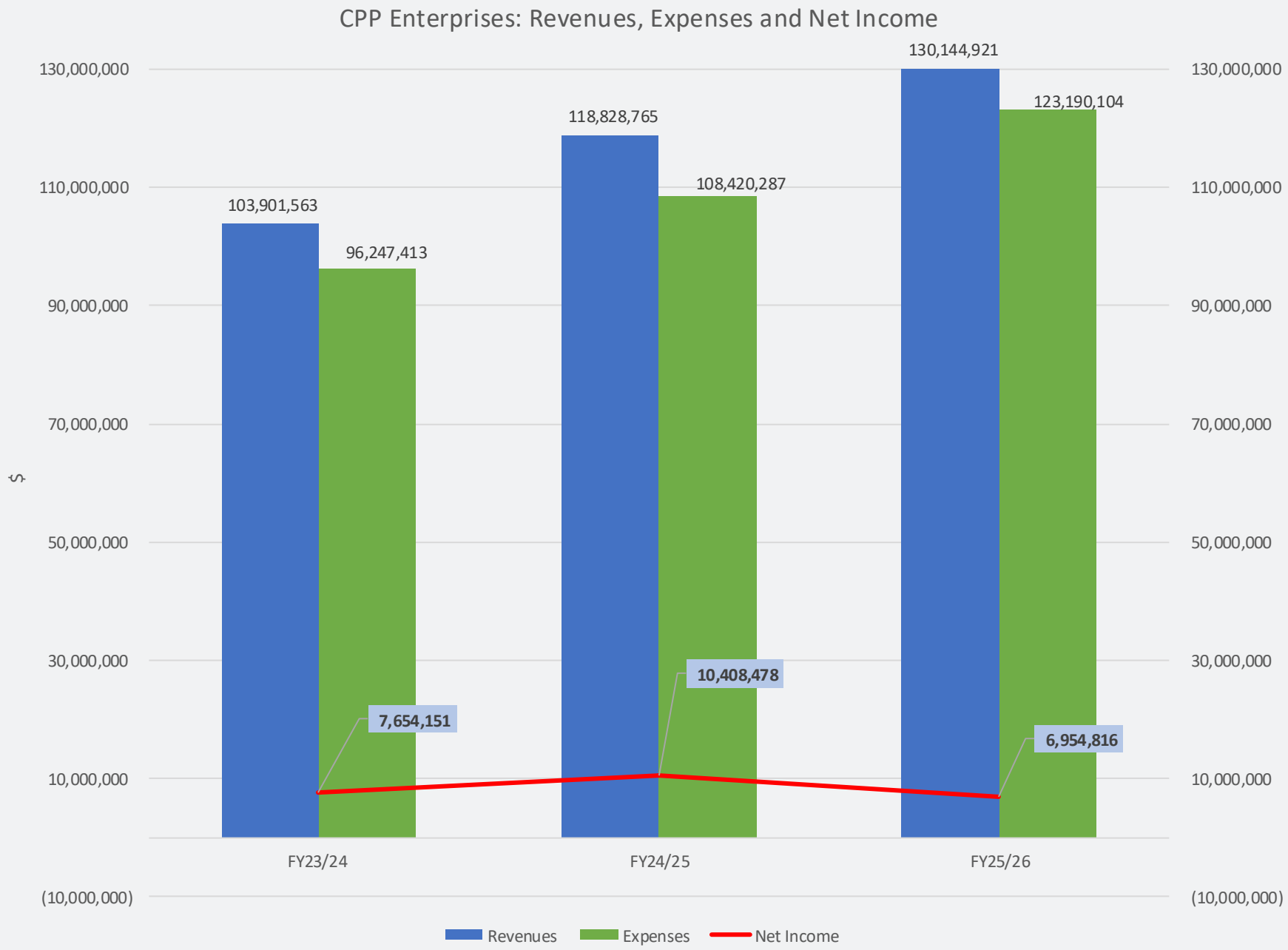
**Cal Poly Pomona Foundation, Inc.**
**Statement of Activities**
**Cal Poly Pomona Enterprises**
**excl. Grants**

| | REVENUES | EXPENSES - Payroll | EXPENSES - Other | EXPENSES - Total | SURPLUS/ (DEFICIT) |
|---|---|---|---|---|---|
| **Commercial Services** | | | | | |
| Dining Services | 23,263,965 | 8,934,405 | 12,390,464 | 21,324,869 | 1,939,097 |
| Bookstore | 18,184,063 | 1,597,243 | 14,928,380 | 16,525,623 | 1,658,440 |
| Kellogg West | 4,419,840 | 2,826,990 | 2,402,887 | 5,229,877 | (810,037) |
| CPPE Student Housing | 25,576,285 | 3,854,887 | 19,305,278 | 23,160,165 | 2,416,120 |
| Real Estate/Rentals | 7,604,078 | 1,728,815 | 3,382,361 | 5,111,176 | 2,492,902 |
| Administrative Fees | | | 4,907,381 | 4,907,381 | (4,907,381) |
| **Total Commercial Services** | **79,048,232** | **18,942,339** | **57,316,751** | **76,259,090** | **2,789,141** |
| **Admin Activities** | | | | | |
| Administration | 556,200 | 6,997,700 | 1,873,834 | 8,871,533 | (8,315,333) |
| Commercial Fee Recovered | 0 | 0 | (4,907,381) | (4,907,381) | 4,907,381 |
| Support Programs Fees | | | (337,150) | (337,150) | 337,150 |
| Sponsored Program Fees | | | (1,250,000) | (1,250,000) | 1,250,000 |
| **Total Admin Activities** | **556,200** | **6,997,700** | **(4,620,698)** | **2,377,002** | **(1,820,802)** |
| **Total Commercial Services & Admin** | **79,604,432** | **25,940,039** | **52,696,054** | **78,636,092** | **968,340** |
| **Support Activities** | | | | | |
| Bronco One Card | 484,529 | 303,634 | 180,895 | 484,529 | 0 |
| Research Office | 3,250,000 | 226,920 | 2,839,391 | 3,066,311 | 183,689 |
| Agriculture | 4,759,982 | 2,223,155 | 3,038,084 | 5,261,239 | (501,257) |
| Continuing Education | 2,858,545 | 1,333,209 | 1,302,897 | 2,636,106 | 222,439 |
| Foundation Programs | 5,471,804 | 2,016,923 | 3,454,881 | **5,471,804** | **0** |
| **Total Support Activities** | **16,824,859** | **6,103,840** | **10,816,148** | **16,919,989** | **(95,129)** |
| **Total before Designated Gift and Investment** | 96,429,291 | 32,043,879 | 63,512,202 | 95,556,081 | **873,210** |

# Overall Company Net Surplus, Designated Gift and Investments

| | |
|---|---|
| Surplus before Designated Gift & Investments | $873K |
| Designated Gift | (637k) |
| Surplus Excluding Investments | $236k |
| Estimated Investment Gains | $2.7M |
| Overall Surplus Including investments | $2.9M |

# 3 Year Historical – Revenues, Expenses, and Net

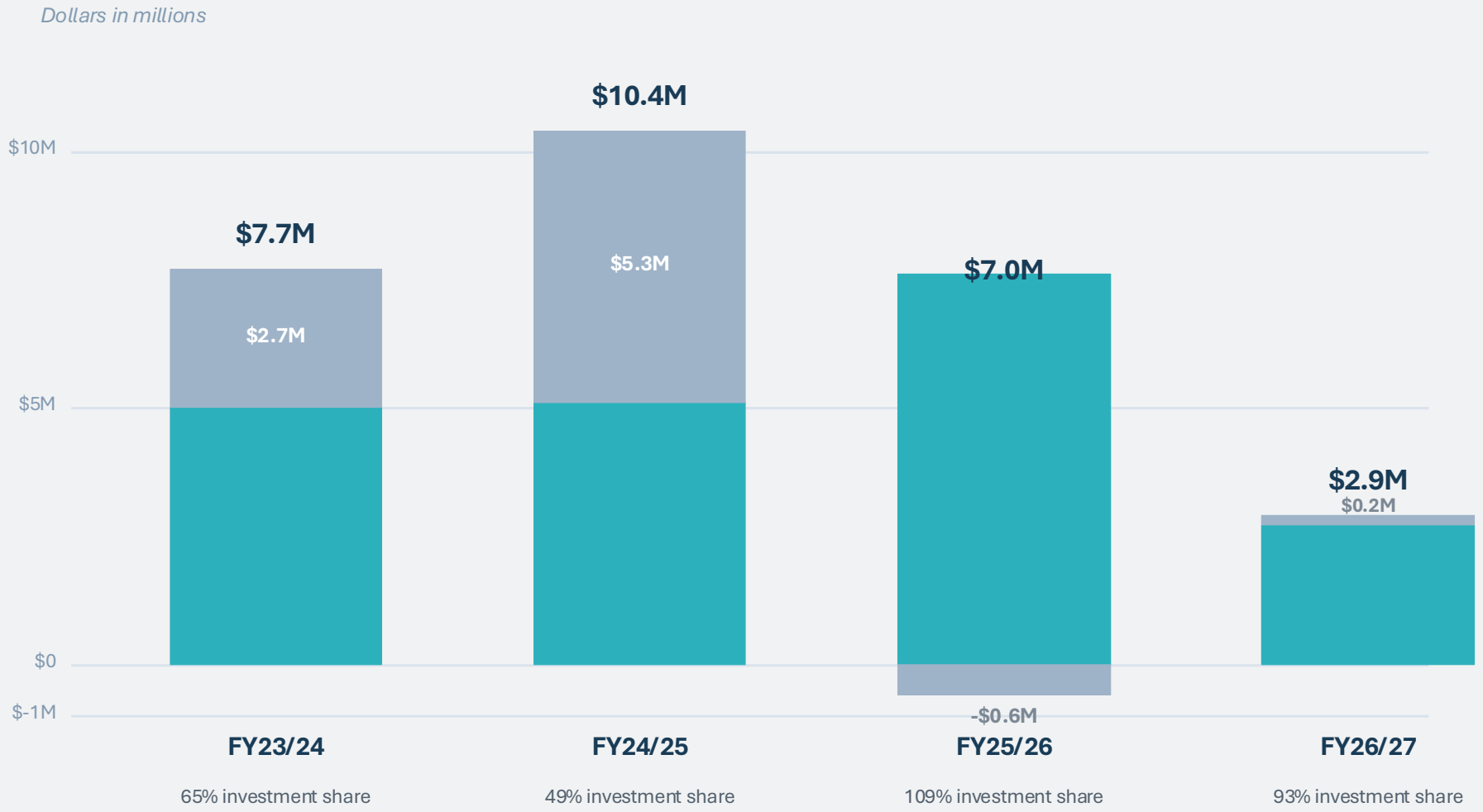


# Investment Returns and Total Net Income

Investment returns as a component of reported net income

**$7.6M**

FY25/26 investment return

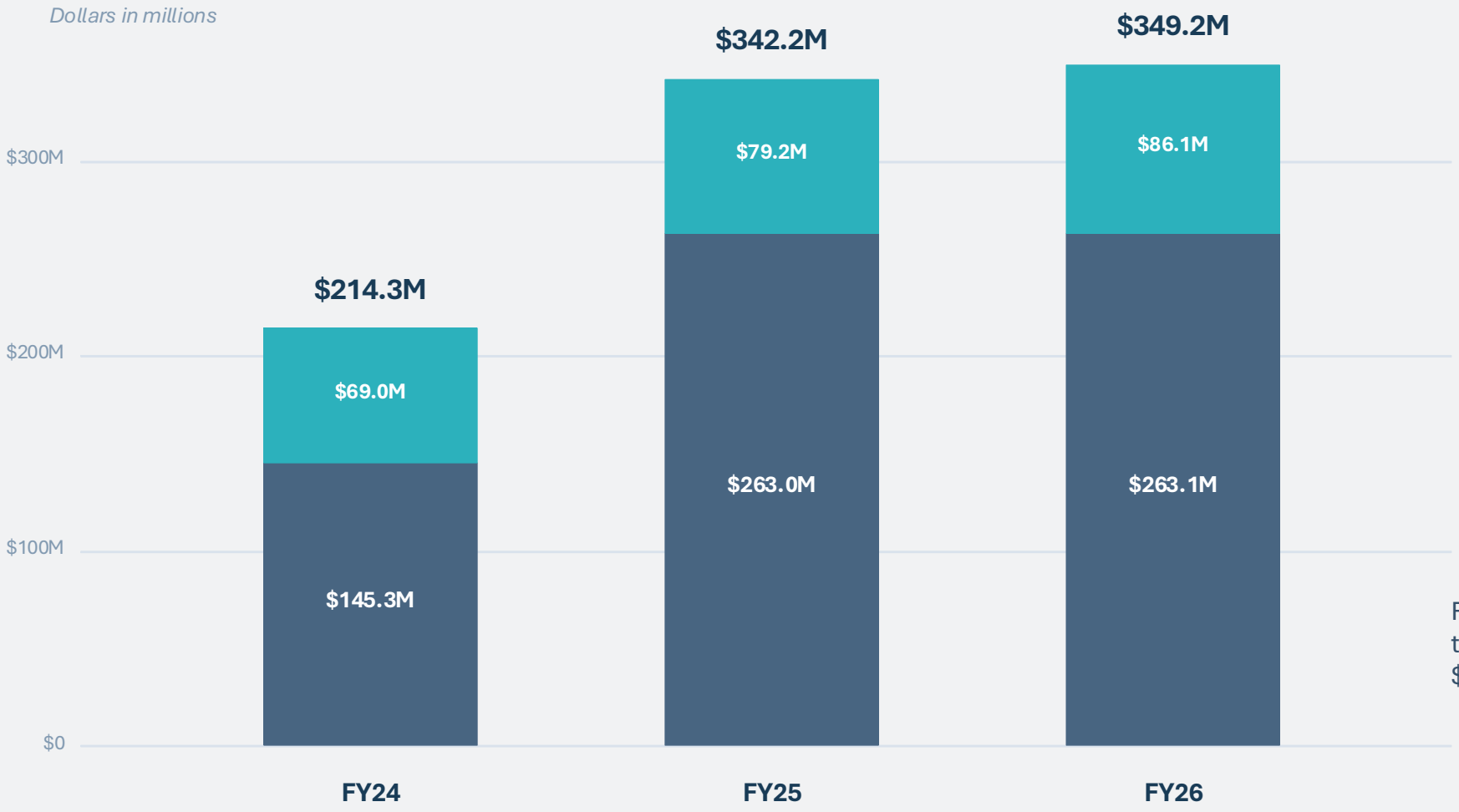



FY25/26 investment returns exceeded total net income by $0.6M, indicating a $0.6M loss before investment returns.

# Balance Sheet Growth

Total assets grew from $214.3M in FY24 to $349.2M in FY26

**+63%**
total assets




**Composition of total assets**

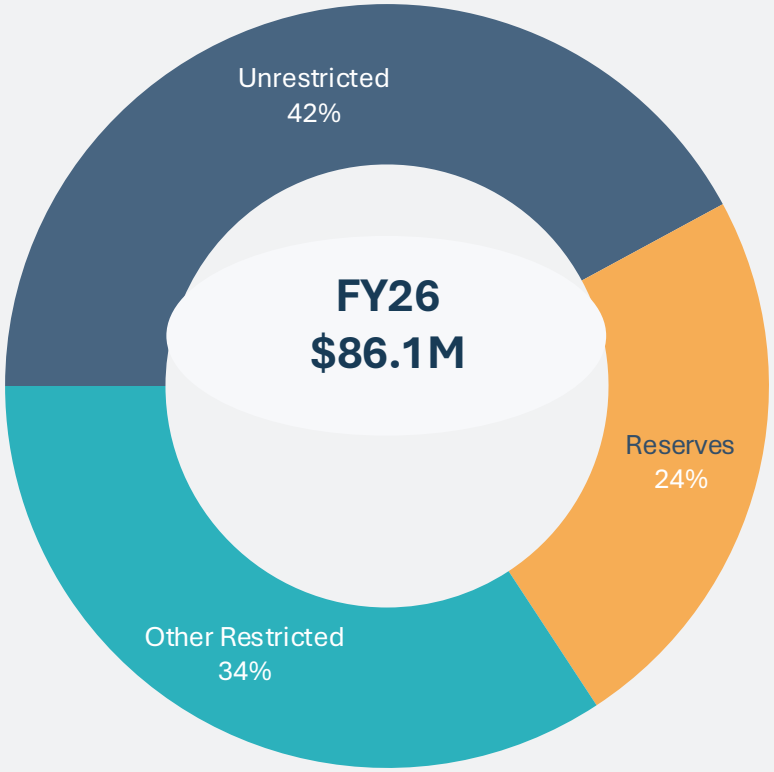
- Liabilities
- Fund balance

Fund balance increased $17.1M over the period, while liabilities increased $117.8M.

# Fund Balance Composition

FY26 fund balance by restriction category

**$86.1M**
total fund balance




**FY26 Composition**

Unrestricted
**$36.3M** 42.1%

Reserves
**$20.4M** 23.7%

Other Restricted
**$29.5M** 34.3%

# SUMMARY OF RESERVE FUNDS

Cal Poly Pomona ENTERPRISES

**Net Fund Balance Allocation to Reserves**

| | | FY 2026-27 | |
|---|---|---|---|
| | FY26 Ending Balance | FY 27 Estimated Contributions (based on FY26 Unaudited Financials) | FY27 Ending Reserve Balance |
| **List of Reserves** | | | |
| Capital/Deferred Maintenance | 9,981,353 | 1,672,845.60 | 11,654,198 |
| Residential Board Meal Program Surplus | 5,780,329 | 146,095.47 | 5,926,424 |
| Dining Reserve | 94,595 | 1,621.16 | 96,216 |
| Real Estate/Development | 663,735 | 79,721.90 | 743,457 |
| Student Housing Development | 851,397 | 240,508.50 | 1,091,906 |
| AG State Share Reserve | 484,376 | 0.00 | 484,376 |
| Residence Student Program Trust Fund | 563,538 | 1,724.79 | 565,263 |
| Operating/Working Capital Reserve | 1,102,869 | 377,678.40 | 1,480,547 |
| Insurance Reserve | 386,496 | 50,000.00 | 436,496 |
| Demo Reserve | 219,211 | 30,983.16 | 250,194 |
| Pine Tree Reserve | 75,000 | 0.00 | 75,000 |
| OFF OF RES & SPONS PRGM RESERV | 170,143 | 0.00 | 170,143 |
| **Total Reserves** | **20,373,043** | **2,601,179** | **22,974,222** |

# Major Initiatives

- Kellogg West Hotel & Conference Center Restoration
- Housing Densification
- Capital Investments in Dining (Potentially at College of Business to replace the Elements Cafe, and potentially at University Housing Services replacing FitBites with another brand that supports our student residents building community)
- Partnering with Gov't Affairs for opportunities that support recruitment
- CPP Brand Presence with the City of Pomona and the City of Ontario

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# Kellogg West Hotel & Conference Center Restoration
# Photos of the finished rooms in Crestview





# University Village Floor Plans for Housing Densification Project








# The Current Floor Plans for Housing Densification Project





# Capital Investments in Dining

- College of Business to replace the Elements Cafe, and at University Housing Services replacing FitBites with another brand that supports our student residents building community.






# Quick Take Aways & Reminders

- **Key Takeaways**
- CPPE serves as a financial and operational partner to the University by mitigating institutional risk, managing designated funds, and providing essential campus amenities and support services not funded by the State, including Dining, the Bookstore, and student programs.
- The FY26–27 budget reflects disciplined planning around enrollment, housing occupancy, inflation, compensation, revenue trends, and anticipated University needs.
- Financial sustainability supports continued investment in facilities, housing, dining, and student success while creating opportunities for stronger academic and administrative partnerships.
- CPPE is focused on long-term sustainability by strengthening core operations, managing financial uncertainty, and directing resources toward investments that support the University’s future needs.

# Thank you.

CAL POLY POMONA
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# Financial Budget Presentation

Academic Senate – Budget Committee
10/28/2026

Cal Poly Pomona ENTERPRISES

# Cal Poly Pomona Enterprises
## Statement of Activities (P&L Report)
## For Period Ending 09/30/2026

| | REVENUES | | EXPENSES - Payroll | | EXPENSES - Other | | | | EXPENSES - Total | | SURPLUS/(DEFICIT) | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | FY 26-27 YTD | | FY 26-27 YTD | | FY 26-27 YTD | | | | FY 26-27 YTD | | FY 26-27 YTD | | |
| | Actual | Budget | Actual | Budget | Admin Fees | Other Expenses | Total Other Expenses | Budget | Actual | Budget | Actual | Budget | $ Variance |
| **Commercial Services** | | | | | | | | | | | | | |
| Dining Services | $6,331,126 | $5,711,639 | $2,417,466 | $2,143,969 | $408,847 | $3,502,598 | $3,911,445 | $3,431,297 | $6,328,910 | $5,575,266 | $2,216 | $136,373 | ($134,157) |
| Bookstore | $8,236,039 | $7,491,802 | $469,281 | $407,260 | $509,083 | $6,507,784 | $7,016,866 | $7,024,212 | $7,486,147 | $7,431,472 | $749,892 | $60,330 | $689,562 |
| Kellogg West | $583,787 | $965,050 | $541,415 | $721,820 | $37,976 | $744,139 | $782,115 | $632,561 | $1,323,529 | $1,354,381 | ($739,742) | ($389,331) | ($350,411) |
| CPPE Student Housing | $5,293,205 | $5,171,485 | $1,013,953 | $1,002,260 | $344,137 | $4,801,054 | $5,145,192 | $5,257,172 | $6,159,144 | $6,259,432 | ($865,940) | ($1,087,947) | $222,007 |
| Real Estate/Rentals | $2,242,147 | $2,002,233 | $166,965 | $213,331 | $108,806 | $1,303,052 | $1,411,858 | $1,247,953 | $1,578,823 | $1,461,284 | $663,325 | $540,949 | $122,376 |
| **Total Commercial Services** | **$22,686,304** | **$21,342,209** | **$4,609,078** | **$4,488,640** | **$1,408,849** | **$16,858,627** | **$18,267,475** | **$17,593,195** | **$22,876,554** | **$22,081,835** | **($190,250)** | **($739,626)** | **$549,376** |
| **Other Activities** | | | | | | | | | | | | | |
| Investments | ($223,244) | $748,149 | $0 | $0 | $0 | $31,627 | $31,627 | $30,000 | $31,627 | $30,000 | ($254,870) | $718,149 | ($973,019) |
| Administration | $129,340 | $127,873 | $1,897,514 | $1,975,538 | ($1,902,926) | $255,645 | ($1,647,280) | ($1,505,811) | $250,233 | $469,727 | ($120,893) | ($341,854) | $220,961 |
| **Total Other Activities** | **($93,904)** | **$876,022** | **$1,897,514** | **$1,975,538** | **($1,902,926)** | **$287,272** | **($1,615,654)** | **($1,475,811)** | **$281,860** | **$499,727** | **($375,764)** | **$376,295** | **($752,059)** |
| **Total Commercial Services + Other Activities** | **$22,592,400** | **$22,218,231** | **$6,506,592** | **$6,464,178** | **($494,077)** | **$17,145,899** | **$16,651,822** | **$16,117,384** | **$23,158,414** | **$22,581,562** | **($566,014)** | **($363,331)** | **($202,683)** |
| **Designated Funds** | | | | | | | | | | | | | |
| Annual Designated | $0 | $0 | $487 | $0 | $0 | $140,571 | $140,571 | $124,500 | $141,058 | $124,500 | ($141,058) | ($124,500) | ($16,558) |
| **Total Designated Funds** | **$0** | **$0** | **$487** | **$0** | **$0** | **$140,571** | **$140,571** | **$124,500** | **$141,058** | **$124,500** | **($141,058)** | **($124,500)** | **($16,558)** |
| **Support Activities** | | | | | | | | | | | | | |
| Bronco One Card | $81,403 | $64,314 | $63,605 | $76,107 | $5,291 | $65,957 | $71,248 | $43,863 | $134,853 | $119,970 | ($53,451) | ($55,656) | $2,205 |
| Research Office | $1,058,621 | $812,502 | $27,351 | $88,001 | $397,028 | $239,311 | $636,339 | $785,952 | $663,691 | $873,953 | $394,930 | ($61,451) | $456,381 |
| Agriculture | $655,969 | $887,442 | $507,381 | $569,888 | $25,559 | $617,779 | $643,338 | $660,811 | $1,150,718 | $1,230,699 | ($494,749) | ($343,257) | ($151,492) |
| College of P&GE | $1,121,015 | $1,040,675 | $156,387 | $436,148 | $50,446 | $172,197 | $222,642 | $124,098 | $379,030 | $560,246 | $741,985 | $480,429 | $261,556 |
| Support Programs | $1,362,867 | $1,332,027 | $678,146 | $505,956 | $15,753 | $1,108,767 | $1,124,520 | $826,066 | $1,802,666 | $1,332,022 | ($439,798) | $5 | ($439,803) |
| **Total Support Activities** | **$4,279,874** | **$4,136,960** | **$1,432,871** | **$1,676,100** | **$494,077** | **$2,204,010** | **$2,698,087** | **$2,440,790** | **$4,130,958** | **$4,116,890** | **$148,917** | **$20,070** | **$128,847** |
| **Grants+Transfers** | | | | | | | | | | | | | |
| Grants and Contracts | $9,042,671 | $6,944,466 | $0 | $0 | $0 | $9,042,671 | $9,042,671 | $6,944,466 | $9,042,671 | $6,944,466 | $0 | $0 | $0 |
| Vesting Grant Assets | $0 | $0 | $0 | $0 | $0 | ($436,828) | ($436,828) | $0 | ($436,828) | $0 | $436,828 | $0 | $436,828 |
| Transfers | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| **Total Grants+Transfers** | **$9,042,671** | **$6,944,466** | **$0** | **$0** | **$0** | **$8,605,843** | **$8,605,843** | **$6,944,466** | **$8,605,843** | **$6,944,466** | **$436,828** | **$0** | **$436,828** |
| **Total Enterprises Net** | **$35,914,946** | **$33,299,657** | **$7,939,950** | **$8,140,278** | **$0** | **$28,096,323** | **$28,096,323** | **$25,627,140** | **$36,036,273** | **$33,767,418** | **($121,327)** | **($467,761)** | **$346,434** |