

VIRGINIA MILITARY INSTITUTE

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22 January 2025

MEMORANDUM

TO: VMI Board of Visitors

THROUGH: The Audit, Finance and Planning Committee

FROM: Major General Cedric T. Wins

SUBJECT: Amendment of the 2024-2025 Operating Budget

Board budget policy provides that the operating budget shall be the Institute's spending plan for the year. The proposed budget amendment results in a net revenue budget increase of \$7,738,132 or 6.5% of the total revenue budget. The majority of the net revenue increase is due to budgeting the \$8,802,632 E&G cash balance reappropriated from FY 2024, offset by a reduction in the budgeted usage of the Auxiliary Fund Balance.

The proposed budget amendment also results in a net expenditure budget increase of \$7,738,132 or 6.5% of the total budget. The net increase consists of an E&G budget increase \$8,076,132 (this includes a \$3,100,000 infusion of E&G cash into the Moody Hall project to cover design costs and to be reimbursed once the project is approved for construction), a State Auxiliary Enterprise budget decrease (\$1,331,000) primarily related to the movement of E&G eligible expenses from Auxiliary to E&G, an Athletic budget increase of \$298,000, and \$695,000 in Local fund restricted cash balances cash carried forward from FY 2024.

We recommend that you amend the 2024-2025 Operating Budget as described above.

Recommended Motion:

It is moved that the VMI Board of Visitors amend VMI's 2024-2025 Operating Budget revenues and expenditures by \$7,738,132 as outlined in Attachment A.



Cedric T. Wins '85
Major General, U. S. Army (Retired)
Superintendent

VMI Operating Budget--FY 2025
Proposed Amendment--February 2025

ATTACHMENT A

Amendment

	Budget	State Funds	Tuition/Fees	Fund Bal	Total	Amended Budget	% Inc(Dec)	Note
			Cadet					
State Funds Revenue								
<i>Educational and General</i>								
General Funds (GF)	25,338,000	1,149,000		8,802,632	9,951,632	35,289,632	39.3%	1
Trf VMSDEP to AUX			(205,000)		(205,000)	(205,000)		2
Trf VMSDEP to Athletics			(208,500)		(208,500)	(208,500)		2
Cadet Tuition/Other Income	30,495,000		(1,462,000)		(1,462,000)	29,033,000	-4.8%	3
Total E&G	55,833,000	1,149,000	(1,875,500)	8,802,632	8,076,132	63,909,132	14.5%	
<i>Unique Military Activities</i>								
General Funds	5,860,000	137,000			137,000	5,997,000	2.3%	4
Cadet Fees/Other Income	3,939,000		(112,000)		(112,000)	3,827,000	-2.8%	3
UMA Fund Balance	977,000			(25,000)	(25,000)	952,000	-2.6%	
Total UMA	10,776,000	137,000	(112,000)	(25,000)	-	10,776,000	0.0%	
<i>Auxiliary Enterprises</i>								
Cadet Fees/Other Income	23,328,000		(64,000)	316,000	252,000	23,580,000	1.1%	
Trf VMSDEP to AUX			205,000		205,000	205,000		2
Auxiliary Fund Balance	309,000			(1,788,000)	(1,788,000)	(1,479,000)	-578.6%	
Total Auxiliary	23,637,000		141,000	(1,472,000)	(1,331,000)	22,306,000	-5.6%	
<i>Cadet Financial Assistance</i>								
General Funds	1,543,000				-	1,543,000	0.0%	
Cadet Tuition/Fees	3,500,000				-	3,500,000	0.0%	
Total Cadet Financial Assist	5,043,000				-	5,043,000	0.0%	
Total State Funds Revenue	95,289,000	1,286,000	(1,846,500)	7,305,632	6,745,132	102,034,132	7.1%	
Local Funds Revenue								
Restricted Funds	33,196,000			673,000	673,000	33,869,000	2.0%	
Athletic Fund Balance				199,000	199,000	199,000	0.0%	
Auxiliary Subsidy to Athletics	1,023,000			(193,500)	(193,500)	829,500	-18.9%	2
Unrestricted Funds	12,125,000		208,500	106,000	314,500	12,439,500	2.6%	
Total Local Funds Revenue	46,344,000		208,500	784,500	993,000	47,337,000	2.1%	
Total All Funds	141,633,000	1,286,000	(1,638,000)	8,090,132	7,738,132	149,371,132	5.5%	
Less: Cadet Financial Assist	(22,565,000)					(22,565,000)	0.0%	
Total Revenue	119,068,000	1,286,000	(1,638,000)	8,090,132	7,738,132	126,806,132	6.5%	

	Amendment					Amended Budget	% Inc(Dec)
	Budget	State Funds	Tuition/Fees	Fund Bal	Total		
State Funds Expenditures							
Educational and General	59,333,000	1,149,000	(1,875,500)	5,702,632	4,976,132	64,309,132	8.4%
E&G Trf Funds to Moody Hall Project				3,100,000	3,100,000	3,100,000	
Unique Military Activities	10,776,000	137,000	(112,000)	(25,000)	-	10,776,000	0.0%
Auxiliary Enterprises	23,637,000		349,500	(1,680,500)	(1,331,000)	22,306,000	-5.6%
Cadet Financial Assistance	1,543,000		-		-	1,543,000	0.0%
Total State Funds Expenditures	95,289,000	1,286,000	(1,638,000)	7,097,132	6,745,132	102,034,132	7.1%
Local Funds Expenditures							
Educational and General	18,617,000			695,000	695,000	19,312,000	3.7%
Auxiliary Enterprises (Athletics)	10,205,000			298,000	298,000	10,503,000	2.9%
Cadet Financial Assistance	17,522,000				-	17,522,000	0.0%
Total Local Funds Expenditures	46,344,000	-	-	993,000	993,000	47,337,000	2.1%
Total All Funds	141,633,000	1,286,000	(1,638,000)	8,090,132	7,738,132	149,371,132	5.5%
Less: Cadet Financial Assist	(22,565,000)	-	-	-	-	(22,565,000)	0.0%
Total Expenditures	119,068,000	1,286,000	(1,638,000)	8,090,132	7,738,132	126,806,132	6.5%

Notes:

1. The "State Funds" amendment is an increase of \$313,000 for Affordable Access funds, \$945,000 for Virginia Military Survivors and Dependents Program (VMSDEP), and \$109,000 less in budgeted State central appropriations for the State share of salaries, benefits, and other E&G costs. The \$8,802,632 fund balance amendment is for the E&G cash balance carried forward from FY 2024. During FY 2025, \$3.1 million will be moved to the Moody Hall project. These funds will be reimbursed once the project is approved for construction.
2. Of the \$945,000 received in General Funds for VMSDEP waivers in E&G, \$205,000 will be transferred to Auxiliary and \$208,500 to Athletics for the cadet fees waived by VMSDEP. In Athletics, these funds will reduce the amount of subsidy needed from Auxiliary to balance Athletics for the fiscal year.
3. The "Cadet Tuition/Fees" amendment is a result of enrollment changes and Virginia and Non-Virginia split based on 1st semester results. For E&G the reduction is \$1,255,000 less from regular session tuition, \$181,000 from summer session, and \$26,000 other revenue.
4. The State General fund increase is UMA's share of the VMSDEP allocation. The addition of these funds offsets the reduction in cadet fees and decreases the amount required from the UMA fund balance.